

John Paul Jones

FINANCIAL TIMES

No. 27,171 Saturday January 15 1977 **12p

PIMS The Personal Investment Management Service... exclusive to Schlesingers

BEVE & SON CHARTERED SURVEYORS RATING CONSULTANTS LONDON · BEDFORD · BRISTOL · HITCHIN LUTON · AMPHILL

CONTINENTAL SELLING PRICES: AUSTRIA Sch.13; BELGIUM Fr.22; DENMARK Kr.3; FRANCE F.2.50; GERMANY DM1.73; ITALY L.600; NETHERLANDS Fl.1.75; NORWAY Kr.3; PORTUGAL Ec.17.50; SPAIN Ptas.165; SWEDEN Kr.2.75; SWITZERLAND F.1.70; EIRE 12p

Lord Avon

Lord Avon, the former Conservative Prime Minister Anthony Eden, died yesterday at the age of 79. He died peacefully in his bed at 11.15 a.m. at his family home in Alvediston, near Uxbridge. His son, Lord Eden, was with Lady Avon at his bedside...

Bank issues record £1.25bn. gilt-edged

BY MICHAEL BLANDEN A further issue of £1.25bn. of new Government stock, the biggest single issue of gilt-edged stock ever made, was announced yesterday by the Bank of England. The decision to issue a large new high-coupon stock at the long end of the market was interpreted as a move by the authorities to keep control of the level of interest rates and to prevent too rapid a decline...

GOVERNMENT FUNDING SINCE SEPTEMBER

Table with columns: Normal Value, Issue Date, Stock, Issue Price, Red. yield, Value at Issue. Lists various Treasury bills and bonds from 1976 to 1977.

Societies peg home loans rate at 12 1/4%

BY MICHAEL CASSELL, BUILDING CORRESPONDENT THE BUILDING societies are to hold the record mortgage rate of 12 1/4 per cent at its present level. Any further increase in the next few months now looks unlikely. The building societies are in sharp contrast to the forecasts of an even higher mortgage rate made by some leading figures in the building society movement just before Christmas. The overall fall in interest rates, together with signs of an increase in the inflow of building society funds over the very poor levels towards the end of last year, have combined to persuade the movement that further rate increases can be avoided. Yesterday's decision came after a period of intense debate within the building society movement. There were many society executives who believed that further mortgage rate increases could be brought about by a proportion of existing borrowers and that interest rates could not be pushed any higher in an attempt to swell the flow of funds. A different group said that a high volume of mortgage money was of paramount importance and that more expensive loans would not give rise in serious financial problems for many borrowers. While the societies are not making a long-term commitment to hold their present rates, they are apparently confident that given present trends—the present structure can be maintained for the foreseeable future. While millions of borrowers will be relieved at the decision, it means that there will be a continuing shortage of funds for house purchase well into this year, and prospective house buyers will find it more difficult to raise finance. The chances of still higher building society interest rates are remote until the end of November, when it was announced that no receipts for that month, despite introduction of record interest rates, had managed to only 2.5m, the worst performance for nearly three years. There were, in addition, fears that December would provide the movement with its first net outflow of funds since early 1974, but figures released yesterday show that receipts for November were 2.7m, a slight improvement on the previous month. The latest indications are that the picture has improved significantly in the first few weeks of this year. Not receiving this month, normally a good period for investment, may be heading back to £100m or more. This would still be a disappointing total compared with the societies' record last year—

MARKET SUMMARY

GENERAL: Stocks thaw as markets sets in. Floods in parts of the country, but no deaths reported. ... BUSINESS: Gilts active but equities mark time. ... EQUITIES were little altered. The FT 30-Share Index finished 0.6 to 63.16, for a gain of 1.57 on the week. ... STERLING edged down 5 points to 187.10. Its trade-weighted depreciation narrowed to 43.1 (43.2) per cent; dollar's narrow to 1.15 (1.36) per cent. ... WALL STREET fell 3.99 to 972.16. ... CHRYSLER is going ahead with plans to recruit 1,500 more workers at its Linwood plant in spite of opposition from a key union, which is pressing for job guarantees. Page 15. ... FREIGHTLINERS, the road and rail container carrying service owned by British Rail and the National Freight Corporation, made a record profit last year. Back Page. ... BREAD delivery mco in London relaxed their boycott of price-cutting shops. Key Markets chain was told it would get deliveries. Page 15. ... AUSTRALIA has introduced measures to stem the big inflow of foreign capital after the recent devaluation, but is exempting certain long-term development funds. Page 13. ... THORN Electrical Industries boosted pre-tax profit to £42.37m (£31.58m) in the first half. Page 16 and Lex.

Boards bid to stop postal boycott goes to appeal

BY CHRISTIAN TYLER, LABOUR STAFF AN ATTEMPT by a R.H. housing pressure group, the National Association for Freedom, to stop next week's trade union boycott of post and telephone calls to South Africa, was turned down yesterday by a High Court judge. To-day, three Appeal Court judges led by Lord Denning, will hold a special session to hear an appeal from Mr. John Gouriet, who is acting for the association. The Union of Post Office Workers, whose leaders or members could be fined or jailed if a prosecution were launched and was successful, said yesterday that it was not surprised by the association's application for an order of injunction. "We have consulted our own legal advisers," a senior official said. Mr. Gouriet said after a private hearing in front of Mr. Justice Stocker that the judge was not satisfied he had jurisdiction to grant him an injunction. He did not have "sufficient locus standi as a private citizen to bring the action." Mr. Sam Shiklin, QC, the Attorney-General, had refused to back his case. Mr. Gouriet said: "So far the Government has shown an inclination to intervene in order to stop the union's boycott, despite pressure from the Conservatives in the House of Commons on Thursday, when the postal workers' action was announced. Meanwhile other union support for the week-long boycott, called by the Brussels-based International Confederation of Free Trade Unions as a protest against apartheid, continued to grow yesterday. Airport workers, mainly members of the Transport and General Workers Union, were planning week-end meetings to decide action at Heathrow Airport, London. The most likely target appeared to be cargo destined for South Africa and carried by South African Airways. A list of 30 companies with South African subsidiaries has been sent to members by the General and Municipal Workers Union. They have been urged to lobby their employers on their attitudes to the recognition of black unions. Leaders of the white-collar union, the Association of Scientific, Technical and Managerial Staffs, urged their branches to take action, particularly at the airports, after a national executive meeting. The CBI said that the planned disruption of trade with South Africa was "totally irresponsible." South Africa was one of Britain's best markets, with more than 260,000 worth of goods a year and providing jobs for 70,000 Britons. "The CBI is not in any way supporting the South African Government's apartheid policies, any more than we do aggressive policies of other regimes. But this is not the way in which to bring about change." Yesterday, the Post Office asked the union to reconsider its ban, but without success. The National Association for Freedom has become one of the most active of the Right-wing pressure groups since it was set up a year ago and Mr. Ross Stewart, one of its founders, was murdered at his home by the IRA.

First National reports loss of further £32m. in 1976

BY MARGARET REID FIRST NATIONAL Finance Corporation, the secondary banking concern which has been kept going only with large support from the big banks' lifeline, has reported a further loss of £32m. for the year to October 31, 1976, on top of an £85.2m. loss in the preceding 10 months. The shares now stand at a mere 1p, compared with a peak of 140p in 1972, and there is an accumulated net deficiency for shareholders of £72.4m. This, however, is exceeded by the £85.2m. of certain special loan stocks and deferred loans from the lifeline support group which were created, with restricted rights, as a result of a capital reorganisation at the end of 1975. The company's statement yesterday, which again strikes a sombre note on the outlook, brings out that the support group has allowed the corporation to reclassify as additional deferred loans £12m. of interest which the company cannot pay on income loans. Snapping up the present position, the Board, now headed by Mr. John Glyn, says that it believes "the business of the group should be carried on with a view to disengagement from the property sector on a going-concern basis." It adds: "The continuing adverse economic conditions have reduced further the prospects of an ultimately satisfactory outcome for shareholders and loan stockholders."

Property move

The company's statement yesterday, which again strikes a sombre note on the outlook, brings out that the support group has allowed the corporation to reclassify as additional deferred loans £12m. of interest which the company cannot pay on income loans. Snapping up the present position, the Board, now headed by Mr. John Glyn, says that it believes "the business of the group should be carried on with a view to disengagement from the property sector on a going-concern basis." It adds: "The continuing adverse economic conditions have reduced further the prospects of an ultimately satisfactory outcome for shareholders and loan stockholders."

Northampton

Advertisement for Northampton, featuring an aerial view of the town and text describing its shopping and commercial center, new office buildings, and residential areas.

EF PRICE CHANGES YESTERDAY

Table showing price changes for various commodities like Portland Cement, Sugar, Wheat, etc. Columns include item name and price change.

Property move

The company's statement yesterday, which again strikes a sombre note on the outlook, brings out that the support group has allowed the corporation to reclassify as additional deferred loans £12m. of interest which the company cannot pay on income loans. Snapping up the present position, the Board, now headed by Mr. John Glyn, says that it believes "the business of the group should be carried on with a view to disengagement from the property sector on a going-concern basis." It adds: "The continuing adverse economic conditions have reduced further the prospects of an ultimately satisfactory outcome for shareholders and loan stockholders."

Property move

The company's statement yesterday, which again strikes a sombre note on the outlook, brings out that the support group has allowed the corporation to reclassify as additional deferred loans £12m. of interest which the company cannot pay on income loans. Snapping up the present position, the Board, now headed by Mr. John Glyn, says that it believes "the business of the group should be carried on with a view to disengagement from the property sector on a going-concern basis." It adds: "The continuing adverse economic conditions have reduced further the prospects of an ultimately satisfactory outcome for shareholders and loan stockholders."

Property move

The company's statement yesterday, which again strikes a sombre note on the outlook, brings out that the support group has allowed the corporation to reclassify as additional deferred loans £12m. of interest which the company cannot pay on income loans. Snapping up the present position, the Board, now headed by Mr. John Glyn, says that it believes "the business of the group should be carried on with a view to disengagement from the property sector on a going-concern basis." It adds: "The continuing adverse economic conditions have reduced further the prospects of an ultimately satisfactory outcome for shareholders and loan stockholders."

Property move

The company's statement yesterday, which again strikes a sombre note on the outlook, brings out that the support group has allowed the corporation to reclassify as additional deferred loans £12m. of interest which the company cannot pay on income loans. Snapping up the present position, the Board, now headed by Mr. John Glyn, says that it believes "the business of the group should be carried on with a view to disengagement from the property sector on a going-concern basis." It adds: "The continuing adverse economic conditions have reduced further the prospects of an ultimately satisfactory outcome for shareholders and loan stockholders."

Property move

The company's statement yesterday, which again strikes a sombre note on the outlook, brings out that the support group has allowed the corporation to reclassify as additional deferred loans £12m. of interest which the company cannot pay on income loans. Snapping up the present position, the Board, now headed by Mr. John Glyn, says that it believes "the business of the group should be carried on with a view to disengagement from the property sector on a going-concern basis." It adds: "The continuing adverse economic conditions have reduced further the prospects of an ultimately satisfactory outcome for shareholders and loan stockholders."

Property move

The company's statement yesterday, which again strikes a sombre note on the outlook, brings out that the support group has allowed the corporation to reclassify as additional deferred loans £12m. of interest which the company cannot pay on income loans. Snapping up the present position, the Board, now headed by Mr. John Glyn, says that it believes "the business of the group should be carried on with a view to disengagement from the property sector on a going-concern basis." It adds: "The continuing adverse economic conditions have reduced further the prospects of an ultimately satisfactory outcome for shareholders and loan stockholders."

Property move

The company's statement yesterday, which again strikes a sombre note on the outlook, brings out that the support group has allowed the corporation to reclassify as additional deferred loans £12m. of interest which the company cannot pay on income loans. Snapping up the present position, the Board, now headed by Mr. John Glyn, says that it believes "the business of the group should be carried on with a view to disengagement from the property sector on a going-concern basis." It adds: "The continuing adverse economic conditions have reduced further the prospects of an ultimately satisfactory outcome for shareholders and loan stockholders."

Motoring

Party Roadster without masochism



STUART MARSHALL

IT A sports car be uncomfortable? Traditionalists seem to think so but Leyland disagree. I am on their side. Leyland's TR7 proves there is no need to mix masochism with car motoring. It is close to an ideal combination of pure comforts and lively, sensitive performance.

For sheer enjoyment, I put TR7 (and especially the five-speed gearbox version which is for export only) at the top in the same class as Porsche Carrera, Lotus Elite and Alfa Romeo Sprint—the three that gave me most pleasure last year.

Looks are a matter of opinion. Like those multi-furred monkeys at London it is prettier when seen from the front. The bonnet is wide, with lidded headlights that pop up quickly enough to be used to give an alighting flash. From the side, it is rather ugly and the end is severely chopped off. It had been conceived as a rear looking fastback in the place, because that would have allowed for a bigger engine. The present one is deep top to bottom and fairly shallow, but too shallow from top to back.

When you get into the TR7 the first time (and mind how you do) it is being in a mid-engine car. The rear window is only a few inches away. The bonnet slopes steeply, giving excellent forward visibility, a feature made possible by tilting the engine over the side.

The windscreen pillars are thick and the rear roof supports are embarrassing when joined by a main road at an angle. The blind spots made are big enough to swallow a juggernaut lorry. In 3500's—the TR7 is higher

geared, doing 21 mph at 1,000 rpm in top instead of 18 mph. The five-speed model I had at the end of December did not suffer from exhaust system vibration either, and was quieter at 90 mph than the earlier one had been at 60 mph. The five-speed car will not be available in Britain until the summer, but anyone planning the use of a TR7 mainly for long-distance driving would do well to wait. The price difference between four- and five-speed models is £140, which includes a stronger rear axle and higher speed-rated tyres. Totals are £3,334 for the four-speed, £3,475 for the five-speed. An automatic is listed at £3,584 though it is hard to get hold of at the moment.

Both the four-speed and five-speed boxes have a rather clumsy change and the lever, with a fist-full of gear knob, is like something from a seven-tonner. The steering is heavy at low speeds and especially when parking, due in part to the wide tyres but also because it is high geared. What American buyers brought up on effortless power steering, make of it I can't imagine. However, the TR7 handles most competently, cornering nearly flat and displaying a well balanced muscularity on winding roads. Hard cornering on had surfaces makes the rear axle thump around but ride comfort generally is very good for a sporting car, even if it is not (as Leyland claim) of the kind you expect of a luxury saloon car. Fuel consumption is around 25-27 mpg with the four-speed gearbox, a little better with the five-speed, especially on a long trip.

It is a personable kind of car; an updated, alternative to the MGB GT.

Golf

TOBAGO, Friday.
SCEPTICS AMONG the British professionals currently in residence here at Mount Irvine Bay for a fortnight of amateur, professional and pro-am championships, were not exactly in short supply when I broke the news on arriving from Phoenix, Arizona, on Monday evening, that Jerry Pate had won the opening event of the 1977 U.S. Tour, and added the rider that the 23-year-old Pate is the man confidently expected now to take over the mantle of the legendary Jack Nicklaus.

Those who have so far only seen Pate on his British appearances have every reason for doubt, since this Georgia-born youngster managed to achieve an almost unique record by losing the Walker Cup match at St. Andrews in 1975, being bundled out of the Amateur Championship in his first match by a British teenager less than a week later and taking 67 in the third round of the 1976 Open Championship to make sure of missing the last day, having brushed with an official on the way.

Pate is bitterly disappointed with himself for those lapses rather of behaviour than lack of technique. He told me in Phoenix how anxious he is to put straight his record in Britain with all the possible despatch. It was a great encouragement to him to hear how badly the great Bobby Jones

appeared on his first visit to St. Andrews, and that Nicklaus had made a dismal debut as a professional in Britain in 1962 in vile weather at Hillside, Southport, in the late lamented Pateadilly Medal.

Nicklaus had not exactly appealed on the score of personality when he arrived at Muirfield as a podgy crew-cut teenager, with loudly expressed critical opinions of all and sundry at the Walker Cup match of 1959. He also failed to win the British Amateur that followed, the one and only but on his record. So there is a distinct similarity between the two in the early stages of their careers in Britain. But while Nicklaus's awesome power both in physical terms and perhaps even more in mental attitude made it obvious that he was destined to become a superstar, Pate's infinite promise lies in the silky smoothness of his swing and his uncanny ability to play a major tournament as if he were enjoying a Sunday afternoon outing with friends at Pensacola Country Club in Florida, where he is now domiciled.

In a great mould

BY BEN WRIGHT

Pate's swing has always been a thing of beauty, but in the last year he has added a touch of steel to the flawless rhythm that had previously been almost unique to Gene Littler in the top class of American professional golf where controlled violence is a much more widespread stock in trade. It is now really up to Pate to decide how good he will become, and I have no fears—rather the reverse—on that score. It could well be a price-less advantage that he and his attractive young wife, Soozie, so obviously enjoy the nomadic life that is hard labour to many. It was particularly disturbing to arrive in Phoenix to be acquainted by a well-wisher of a startling number of divorces that have occurred amongst the leading players in the close season, clear evidence of the unsettling nature of a profession that the public largely fails to see.

Pate was, in a sense, lucky to get a second bite at the cherry in Phoenix. Two splendid rounds of 67, followed by a satisfactory 70 in the rain and raw cold of

Saturday, enabled him to take a lead of one shot over Dave Stockton, the current U.S. PGA champion, into the final round. After an unsettling delay of 2 1/2 hours caused by overnight frost—the temperature was 28 degrees when play was due to start despite the smartly-tailored blankets placed on the green—Stockton stood on the 14th tee two strokes ahead of Pate. For most of the players, this was a drive-and-pitch hole. Stockton, who is infamously short, buried his eight-iron second shot in a greenside bunker, and for once failed to get up and down in two shots—his great strength. He took three putts on the huge green at the 206-yards 15th for the first time in the tournament to allow Pate to draw level, and that was how it remained—Pate round in 73 to Stockton's 72 in cold and windy conditions. And so they returned to the 18th, and against all the odds Stockton played a similarly poor tee-shot to a green 140 feet wide, an once again three-putted to lose to Pate's immaculately played par 3.

Stockton, who acknowledges his frailties with cheerful stoicism, asserted that if everyone in the field had hit the ball as far from the cut portions as he had, Pate would have won by 15 shots. But what a scambler is Stockton. On Saturday at my television hole, the 17th, a dogleg to the left of 420-yards where the big hitters required no more than a 9 iron, Stockton hooked a 2 iron shot from the trees on the right into a greenside bunker—no one else found that day—it being so wide. His 40-yard recovery shot finished six inches behind the hole.

On the final day, Stockton almost killed his wife with a drive 50 yards offline at the 7th hole. But his embarrassment was hardly the equal of my own in the Pro-Am when, to the huge amusement of a large crowd, my first drive flew at knee-height for some 100 yards before the ball became impaled on a giant cactus well to the right of the intended line. Next week a report on the early form of seven British Ryder Cup pairs and several more hopefuls who have escaped momentarily the rigours of winter to polish their games in hot sunshine and idyllic surroundings. It is hardly a bad life for those who merely observe, and whose memory is quickly purged of the odd disaster or three by an occasional rum punch at the poolside.

Skiing

ARTHUR SANDLES

WHEN Cindy Nelson failed to stop from her downhill ski speed of 70 miles an hour within the measure 100 yards allotted for the purpose at Garmisch Partenkirchen this week the resultant crash was more than just a personal tragedy. Miss Nelson broke an ankle when she hit the straw bales and is now back home in the U.S. nursing her bruises, contemplating the prospects of a ruined ski season, and doubtless harbouring a few unflattering thoughts about the officials who waited until after the accident before enlarging the stopping zone.

Miss Nelson is America's most accomplished all round women skier by far. An Olympic medallist she is riding high in the World Cup ratings, a league table run on similar lines to the Motor Racing World Championships. The tragedy of her departure from the World Cup scene is that

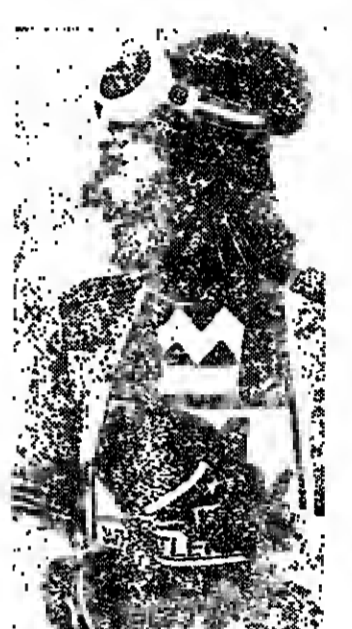
American interest in the European-dominated Cup series has been developing rapidly of late and this year the series has been showing signs of becoming truly international. For this new American enthusiasm to be maintained there needs to be some American names in the listings. Miss Nelson's departure, therefore, is a dangerous loss.

Now American attention must focus on Phil Mahre who has done well in the men's circuit, and women skiers such as Susie Patterson and Jamie Kurlander. As far as the women are concerned, however, it is now likely that Canada's Kathy Kreiner will be the top North American of the winter. Britain's Valentina Iliffe might well prove superior to the remaining American challenge.

The World Cup circus moves its racers, trainers, equipment and officials to Austria this weekend. Now that skiing is prime time television in Continental Europe and North America the most significant races are usually on Saturday and Sunday. Over the next few weeks there will be races in France, Switzerland, the U.S., Japan and Spain.

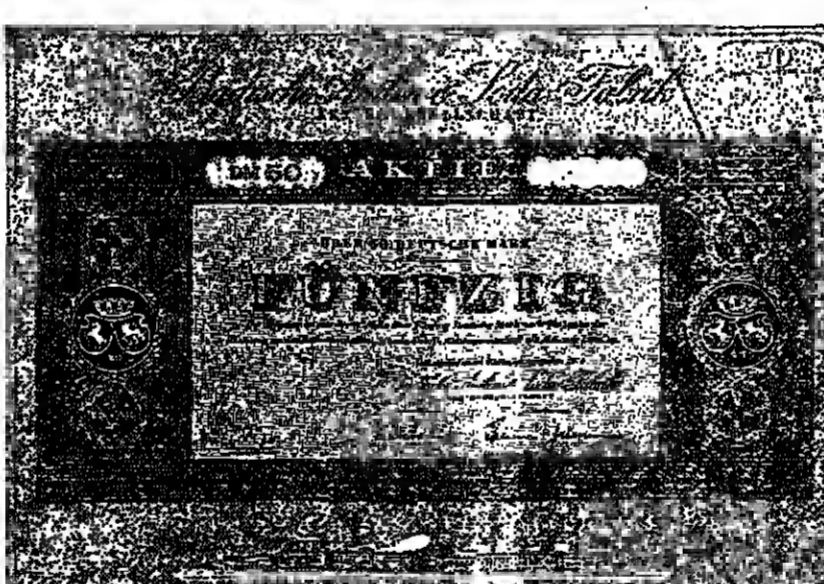
So important, and lucrative, these days that the professional circuit, which started in the U.S., has been overshadowed. At one time it was able to recruit such stars as Jean Claude Killy, but this year all the world's top people have stuck with the World Cup. Skiers can now be paid permanent "broken time", originally intended as payment for brief training periods to compensate for lost earnings in normal jobs. They are also free to endorse products such as skis and clothing (officially they still have to do this through their national ski association). This means that the professional, whatever that might mean to-day is gone. It gives the Olympics committee a nasty problem, however.

To-day and to-morrow the men compete. For reasons which I have yet to fathom the only planned U.K. TV coverage was 12 minutes on ITV—at 1 o'clock to-day. The argument that ski racing is an esoteric pastime hardly seems to wash, since ITV is dedicating 40 minutes to American football. Could it be that 40 minutes of old incomprehensible football is cheaper than same day 12 minutes of



Cindy Nelson

skating? Ah well, these are straightened times. The U.K. lizzard has, however, ruined domestic sport and given additional ski coverage as an emergency stop gap. In the downhill the real upset will be any displacement of the Austrians in the top three places. Franz Klammer is the favourite once more but if Switzerland's Bernard Russi can get close to him there will be furrowed brows in the Tyrol tonight. The Austrians have reigned supreme in the downhill for five years now and do not look like being disturbed. Their fortunes in the slalom events have been less impressive, but we must wait until Sunday for those results. Victory in the slalom races is important historically for any nation since these events require skill in turning, which is the beginner's main problem. The theory of it is that the nation which turns best in racing must surely teach best on the nursery slopes. The skiers race in batches of ten, graded according to standard. Thus if you are drawn 35th, you must finish in the twenties to have moved up one division. Konrad Bartelski did this for Britain last Saturday at Garmisch—he started 50th and finished 34th—which was quite an achievement for a lowlander. The British men this weekend will be competing in the European Cup. Also this weekend are the Kandahar races, with so much snow in St. Moritz that the schedule has been altered.



RIGHTS OFFERING TO OUR SHAREHOLDERS

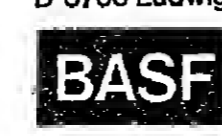
In order to finance our medium term capital expenditures we increase our capital stock by DM 120 million to DM 1,888 million by means of issuing new shares.

SUBSCRIPTION RATIO: 1 FOR 15 AT THE PRICE OF DM 130.- For 15 of the old shares at a face value of DM 50,- our shareholders may obtain one new share at a face value of DM 50,- at a price of DM 130,- free of stock exchange turnover tax. Our shareholders may exercise their subscription rights in the period FROM JANUARY 26 UP TO AND INCLUDING FEBRUARY 8, 1977

by submitting dividend coupon no. 32 of the old shares to our paying agents (Kleinwort, Benson Ltd., London; S.G. Warburg & Co. Ltd., London). The subscription price must be paid no later than February 8, 1977.

Application has been made for the registration for trading and official listing of the new shares at all German securities exchanges and at the stock exchanges of Amsterdam, Antwerp, Basel, Brussels, Geneva, Paris, Vienna and Zurich. This announcement appears as a matter of record only.

BASF Aktiengesellschaft D-6700 Ludwigshafen



FINANCIAL TIMES SURVEY

Saturday January 15 1977

PORTFOLIO PLANNING

The market hazards of recent years have made the individual investor more and more inclined to seek professional advice and indeed management services. This has prompted a growing response among most investment houses, leading them to a reappraisal of the role of the private portfolio.

WHILE confidence may be re-ignited about the U.K. economy and sterling has been on an improving trend for the past month, the overall experience of the average U.K. investor in the decade is that it is increasingly difficult not to lose money, alone make it. This has meant that people can no longer afford to stick with lock-up investments year in, year out, and there has been a gradual increase in the level of concern which the individuals display about their investments.

A few years ago this concern took the shape of seeking new investment fields such as property, agriculture, gold coins, and stamps. Some of these "alternative" investments have yielded the course, but fingers are burnt in 1974 and 75 and willingness to diversify away from equities and fixed interest was tempered by an increasing conservatism last year.

Moreover, in the face of what seemed like national confusion, investors were more than ever willing to band over their portfolios to professional managers. The feeling is that the problems of switching and international diversification have grown too large for the average layman to handle and the professional is able to cope. This may not always prove to be correct, but at least the individual can feel that he has given himself the best chance of keeping abreast of the game.

There is often a misconception about what the name of the game is nowadays. In the late '60s, capital appreciation was all the rage, but with inflation and relatively stable earned incomes—the aim of many people with portfolios is to supplement their net incomes by as much as possible. This is particularly true of retired people and, in the unit trust business for example, exchanging private portfolios for units of an income trust has been a major source of new sales. The result has been that professional fund managers went all out last year to persuade people to surrender their portfolios, the carrot being that they could do it at a relatively low cost and would be better off as a result.

nowadays, even the most "private" client is run in combination with others. The various streams of portfolio management comprise merchant banks, the clearing banks, stockbrokers, fund management groups, insurance companies

The clearing banks on the other hand have been quietly managing smallish private portfolios in their trust departments for some time and are now in the process of integrating these services with their unit trust trust groups and unit assurance life groups. This does not necessarily mean that existing clients

harder to get. Stockbrokers are private clients and making the most of the business they already possess. As for the unit trust investment trust groups and unit assurance companies there is more concentration on "persisting"

ment is obviously more personal than it would be in a big bank's trust department. The main trouble is sorting out the genuine firms from operators who might sail close to the wind or use clients' funds for their own purposes. To help solve this problem a new association of

overseas. It has not escaped the attention of the Japanese stock market has beaten most of the others over the past decade and that more investment companies favour the U.S. market.

The difficulty for the average investor is the obstacle of the dollar premium because it is a fact that the U.K. government tries to restrain overseas investment. This is where the professional is able to find the change to use the dollars to larger sums and engaged on a full-time basis. It is also true that at some time it might be advantageous to be out of overseas markets—1975 was such a period when the professional is in the best position to make the choice.

Expanding range of services

By Christopher Hill

various "independent" companies of portfolio managers (who tend to be individuals or groups of individuals who have built up a personal following). Merchant banks still tend to be for the person who has a substantial portfolio (£100,000 or above), but there are several banks which have now lowered their sights to include people who fall outside the magic figure. Usually this means that the individual must accept a proportion of "fund units" in his portfolio.

are encouraged to shift to the unit trusts, but new clients with less than £20,000 are liable to be judged in that direction. Stockbrokers are also frequently involved in portfolio planning and the major firms are now coming out of their shells when it comes to displaying their wares. At one time in the 1960s the private client was often regarded as a "drudge" because he was often a nuisance and much less profitable than are the "private" firms of exchange. But sometimes it is now that business has become

the funds they already possess for the private client, rather than managing clients' money on an individual basis. Perhaps the major example of this is the Scholinger "PMS" scheme which appears in various guises but has the underlying theme of giving the individual the feeling (through meetings and frequent communications) that he is not just another number in a computer. And, last but not least, there are the "private" firms of exchange. These sometimes take as little as £5,000-£10,000 and man-

private management companies were formed last year. The major feature of portfolio spread over the past year has been the growing interest in international markets. This is where individuals are at a considerable disadvantage in that they find it difficult to raise foreign currency loans and to have sufficient knowledge of overseas markets. At one time investors used to mostly identify a holding acquaintance with the U.K. market was enough, but War Loan, they now tend to be since the U.K. is no longer on an expanding trend (in most of short-term gilts, and the sectors). It is necessary to look

Taxation

Where uncharted fields are concerned, the most significant benefit nowadays is that which concerns taxation. What with increasing higher rate tax, Capital Transfer Tax, the investment income surcharge and an impending wealth tax, investors are starting to wake up to the fact that managing one's affairs in the most tax-advantageous way can be more useful than trying to increase either income or total wealth. This is not a particularly healthy situation but it is a fact of life and tax-planners are playing an increasing role in portfolio planning.

Taxation plays a part in maximizing net income, maximizing capital growth, paying school fees and transferring one's wealth and at every point expert advice is needed. Much the advice now involves the use of life insurance and is significant that, because of the tax advantages, life insurance remains more important in the U.K. than anywhere else in Europe.

How Save & Prosper can help meet the needs of the private investor

A WIDE RANGE OF FUNDS

Founded in 1934, Save & Prosper Group manages funds currently of around £650 million for 700,000 investors. We offer a wide range of funds and other investment services and through them we can help you to realise your investment objectives in a simple and tax-efficient way.

Investment in stocks and shares

Broadly-based funds - We offer a number of funds invested across a broad range of stock market sectors on a world-wide basis. These are designed for the investor who wishes to obtain the benefits of a wide spread of stocks and shares, the actual balance being decided or varied by the fund's investment managers.

Funds offering a high or increasing income - A number of our funds are designed for investors who are seeking a high or increasing income from shares. In view of this aim, the assets of these funds are currently almost entirely made up of UK shares, though the Managers have the freedom to invest abroad if this should be thought appropriate at any time.

Specialist funds - We also offer funds which concentrate on specific investment situations. These funds are primarily intended for the more active investor who is seeking a broad spread of shares within a particular country or stock market sector.

British Government securities.

The new Save & Prosper Gilt Fund aims to provide an actively-managed investment in gilt-edged securities, either directly, or if appropriate through other investments, which are themselves vehicles for investment in gilt-edged securities.

Property

One of the few practical ways that the private investor can make an investment in property is through a fund such as the Save & Prosper Property Fund. The fund is currently invested in a broad spread of high quality shops, offices and commercial properties.

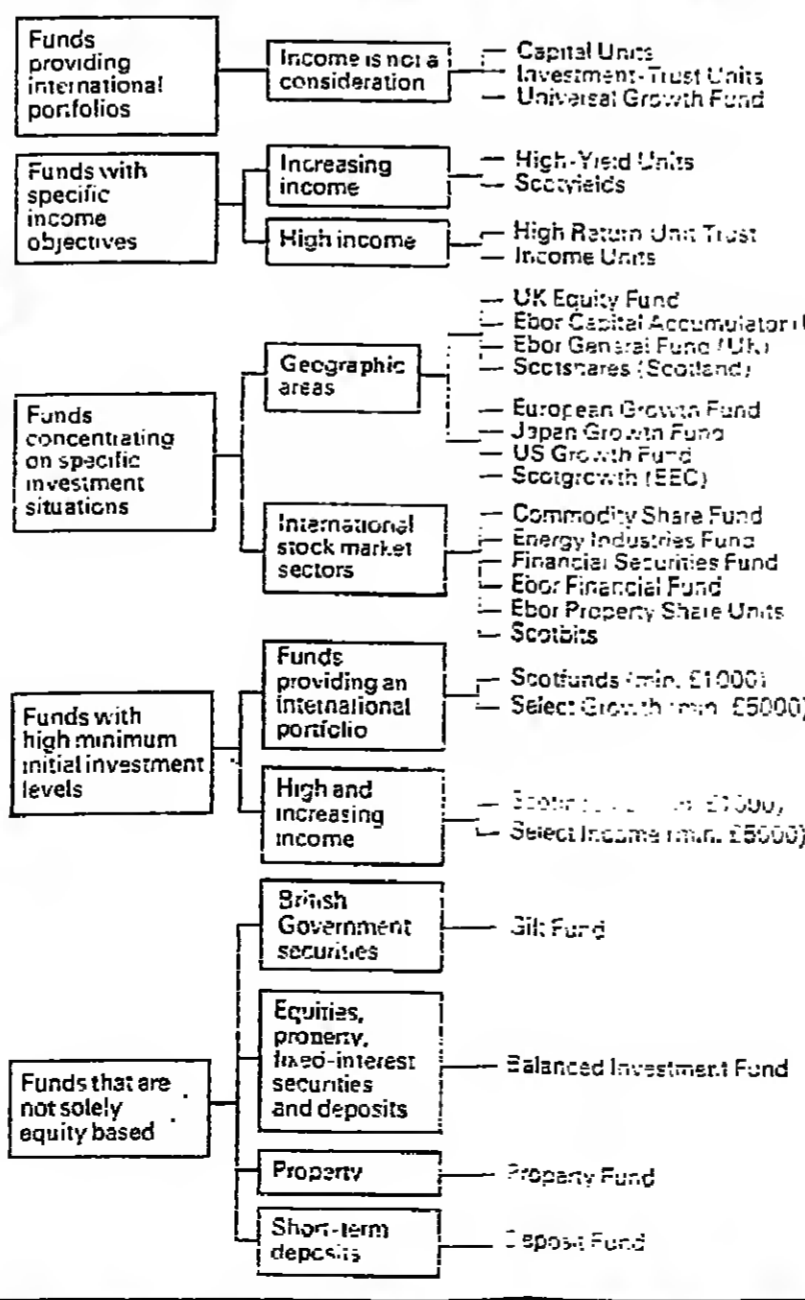
A balanced portfolio

The Save & Prosper Balanced Investment Fund is invested in a combination of property, equities, fixed-interest securities and deposits and aims to provide a balanced portfolio in a single transaction. The fund invests in equities through the Group's unit trusts and in property through our Property Fund.

Deposits

The Save & Prosper Deposit Fund is invested in fixed-term deposits through the London money market and provides a valuable haven for capital in times of uncertainty, pending a return to longer-term reinvestment.

SAVE & PROSPER FUND SELECTOR



VARIOUS WAYS TO INVEST

Direct investment in units

A direct unitholding in any of our unit trusts is a simple way to benefit from investment in stocks and shares; it also offers certain capital gains tax advantages over a portfolio of shares held privately. Full details are given in our booklet "A Guide to Unit Trust Investment", which is available on request.

Investment Bond

The Investment Bond - which is a single premium life insurance policy - can be linked to most of the funds listed opposite, and is suitable for higher-rate taxpayers who want to increase their net spendable income. Up to 5% of their original investment can be withdrawn each year for up to 20 years without giving rise to a liability to tax during that period, although the withdrawals will be taken into account in calculating any liability to tax when the bond is cashed. However, if this is done at a time when the investor's personal tax rates are lower (such as after retirement), this liability can be reduced or eliminated.

Regular investment plans

Several methods of building up a substantial investment in any of our funds through regular contributions are available. These include the Save-Insure-and-Prosper Plan and the Flexible Ten Plus Ten Plan, both of which provide valuable life insurance cover. Contributions to these plans are currently eligible for tax relief at 17½%, which effectively means investing at a substantial discount.

Advantageous share exchange

Investors who hold shares can exchange them on advantageous terms for a unitholding or an Investment Bond. Shares may also be exchanged to provide the capital for annuities, income plans and school fees plans.

Further information.

For further details please consult your usual professional adviser or one of our branches. Alternatively you may contact Save & Prosper at 4 Great St. Helens, London EC3P 3EP. Telephone 01-554 8899. Professional advisers requiring further information should phone Save & Prosper Services on 01-831 7601.

PORTFOLIO PLANNING II

Private management groups

HIGHER RATE TAX-PAYERS - YOU CAN NOW RECEIVE 5% A YEAR TAX FREE FROM SHARES OF YOUR OWN CHOICE

Higher rate tax payers can now invest through a plan especially designed for them, which provides the opportunity to increase substantially the after tax income from EXISTING SHARE PORTFOLIOS, WITHOUT RELEASING EFFECTIVE CONTROL OF THE INVESTMENT MANAGEMENT OF THE PORTFOLIO.

TAX EFFICIENT INCOME You can withdraw up to 5% a year completely free of all personal taxes for the next 20 years from your fund, or alternatively allow this 5% a year to roll-up within the fund and withdraw those accumulated tax free amounts at any time in the future.

ELIGIBLE SECURITIES The fund may invest in all normal Stock Exchange securities i.e. equities, gilts, and convertibles, as well as holding cash on deposit, or investing in unit trusts.

MINIMUM INVESTMENT The minimum investment is £20,000 but you may simply transfer your existing portfolio, provided that this minimum value is reached.

For a free explanatory leaflet showing full details of this plan, which we feel is of particular interest to those paying tax at 65% and above, please return this coupon to Julian Gibbs Associates Limited, 9 Manchester Square, London W1M 5AB.

Name: _____ HR FT3
Address: _____
Date of Birth: Husband _____
Wife _____
Top Tax Rate: _____ Amount of Portfolio: _____

MANAGEMENT of private portfolios on a personalised basis measure of Hill Samuel unit has traditionally been the pre-trusts. On the taxation and life insurance side, Nobel mercant banking houses. But Lowndes, the insurance broking subsidiary, comes into play. And a great deal of attention has also been paid to the inter-administrative systems which have been developed to cope with the volume of small accounts.

Weaned But generally speaking the cost of servicing private clients has risen to such an extent that it is questionable whether customers are receiving the same sort of service as before. Certainly only the very wealthy have their portfolios managed on a non-discretionary basis. Most clients have already been, or are being, weaned on to the idea of giving the broker or banker complete discretion in the day-to-day management.

The one glaring exception in the banking field, however, has been Hill Samuel, which has made something of a success of catering for those people who fall between the two stools—by definition, those with funds in the region of £20,000 up to £100,000. The client's requirements (for example, income or preservation of capital, or combination of both) are determined with due regard also given to personal taxation circumstances. Discussions are generally held in consultation with the individual's other professional advisers, such as solicitors or accountants.

Hill Samuel has been able to reach further back down the market by clever use of all the machinery within the group. For example, the portfolio, while containing a number of

management the present members of this group account for an estimated £150-£200m. This figure is perhaps not huge in relation to some of the large banks, but at the same time it is not small beer and is sufficient to make the big battalions sit up and take notice. The Association has not been in existence very long. Twenty-five representatives from different groups got together in December, 1975, and the result was the formation of a steering committee during 1976. That committee has now become the Council of Management.

The idea is not only to achieve recognition and status for members but also to set standards of practice for the profession and to improve the safety for the investors who entrust their cash to member firms. The exercise is being taken extremely seriously. For example, the Conduct of Business rules have been drawn up in consultation with City accountants Peat Marwick Mitchell and solicitors Travers Smith Brishwaine. Each member firm's accountants will have to fill in a questionnaire. New firms applying for membership will be vetted. Provision will be made to ensure continuity should sickness interfere with the investment management. All the money entrusted by investors is to be placed with

who are more interested in tax free capital growth (if the stock is held for more than a year) Treasury 34 per cent. 1978-81 offers a redemption yield of 9.6 per cent. and even shorter is Electric 3 per cent. 1974-77 which has a redemption yield of 13 1/2 per cent. This one will probably look more attractive in February for at present there is a fair amount of accrued interest in the price.

In the medium range there is nothing particularly enticing, though for investors after capital appreciation there are a couple of stocks worth considering. Treasury 3 per cent. 1982 has a redemption yield of 9 1/2 per cent. and Transport 3 per cent. 1978-88 offers a redemption yield over 10 per cent. Investors looking for a high running yield might consider 13 1/2 per cent. and 13.56 per cent. to redemption, though with the stock trading above par there is a potential capital loss if held to maturity.

Thus the fund manager is free to manage and the cash and time normally spent on running administration is effectively saved. Clearly this is good for both the manager and, in theory at least, the customer.

But what really counts at the end of the day is how good the advice is and the extent to which the clients' objectives are achieved—whether it be capital growth or the generation of income. No performance figures are available, of course, just as it is equally impossible to ascertain how good the performance of the merchant banks or stockbrokers are with their clients.

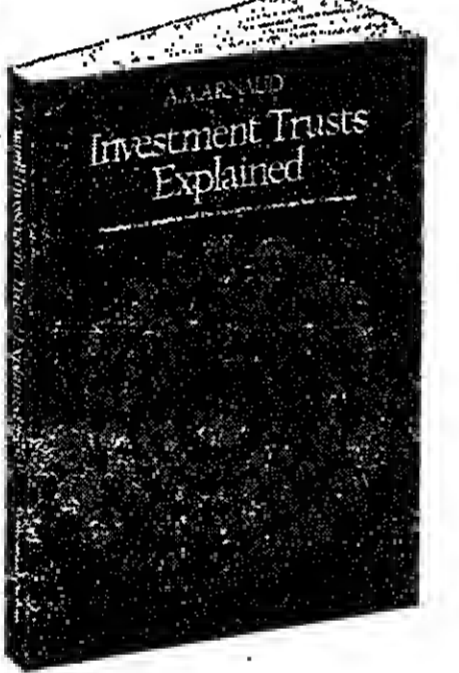
Performance However, the growth in funds under management of these smaller businesses—and that is generally achieved through word-of-mouth recommendation—suggests that the performance has not been any worse than that of the big leaguers, and possibly even better.

A central consideration here is just how well and how seriously these relative newcomers are taken by the stockbroking fraternity. If the analysts with the best information are servicing the large merchant banks first then this does not appear to show

Keith Lewis

An important new book on a major aspect of investment

This, the first book on the subject written by a practising investment trust manager, describes the work of investment trust companies and explains their role as an investment medium. Essential reading for both the investment specialist and the informed private investor, the book discusses all aspects of investment trusts, their structure, their performance, their advantages and their future.



To: The Association of Investment Trust Companies Park House (Sixth Floor), 16 Finbury Circus, London EC2M 7JJ.
Please send me copy/copies of 'Investment Trusts Explained' (Paperback) at £2.95 each plus 35p postage and packing.
Name _____
Address _____
I enclose a cheque/P.O. for £.....

The current vogue for gilts

A YEAR ago, after 1975 had seen the equity market recover by some 133 per cent., it might have sounded foolhardy to talk of an increasing weighting towards fixed interest in 1976. However, the performance of equities since May has been anything but inspiring. The FT Ordinary Index has fallen some 15 per cent. since then and for the year as a whole equities are off as much as a tooth on average. But for investors who concentrated on fixed interest since last April, when rates began to move up again, there should be a healthier glow to their portfolios.

Attractive

At the long end of the market the two most attractive stocks for investors wanting a high yield are Treasury 15 1/2 per cent. 1998 "A" and Treasury 15 1/2 per cent. 1998 "A". The current long "Tap." The running yields on these stocks are around 14.9 per cent. and redemption yields are about 14.8 per cent. However, both these stocks are standing above par, so for those investors worried by a book loss Exchequer 13 1/2 per cent. 1998 offers a fair alternative with a running yield of 14.4 per cent. and redemption yield of 14.5 per cent.

Finally, for investors looking for capital appreciation Gas 3 per cent. 1990-85 offers a redemption yield of 12 per cent. and Funding 9 1/2 per cent. 1989-2004 13 per cent.

Target last month has focused attention on investment via a unit trust rather than taking the route through a life assurance gilt bond. At first sight Target would seem to be taking on an uphill struggle because of its tax disadvantage. Unit trusts have to pay corporation tax at 52 per cent. on income from gilts, but the investor is only credited for the 35 per cent. basic rate. This does not apply to life offices which are taxed on investment income less expenses at 37 1/2 per cent. However, if the aim is capital appreciation—as is the case with Target—unit trusts have the edge. They pay capital gains tax at 17 1/2 per cent. against 30 per cent. for individuals and life companies.

Moving away from the gilt market, historically investors have been able to achieve better yields in the corporate fixed interest sector because of the higher risk. However, with the lack of any new stocks and sinking funds actually reducing the market, demand has been concentrated on a smaller amount of stock and the yield differential has narrowed considerably. In fact the yield differential now is often down to 25 or 30p, which for the extra risk involved is making the sector relatively unattractive on the whole.

Taking a look outside the traditional fixed interest markets, investment in local authorities is proving very competitive. The return on the quoted yearling bonds has come up from 11 1/2 per cent. since the beginning of 1976 and reached a peak of 15 1/2 per cent. in November, just below the all time high of 15 1/2 per cent. at the beginning of 1974. Rates have eased since then but at 13 1/2 per cent. the yield is still attractive. For investors with over £50,000 better returns can probably be found through the money market.

Taking a shorter view Treasury Bills offer a safe haven and good yield for three months. Treasury Bills are basically post dated cheques and with a current yield of 18 1/2 per cent. (being the discount to the face value at which the bills are purchased) they are worth considering for larger investors looking for a temporary home for cash. But with the outlook for falling interest rates, investment geared towards gilts is probably one of the most attractive sectors around at present.

Terry Garrett

Hoare Govett talks to the private investor

In addition to our services for corporate and institutional clients, we also offer a personal service to private clients for portfolios of varying sizes. Our Private Clients Department has access to the same expertise and extensive research facilities available to our corporate clients, which we provide without a management charge.

If you are a private investor managing your own portfolio, or a professional adviser to investors, you should know that we are making this aspect of our business an even more important part of our present and future policy.

For further information, write to R. West, Director in charge of Private Clients, at the address below.

Hoare Govett Ltd. (Members of the Stock Exchanges) Heron House, 319/325 High Holborn, London WC1V 7PB

Portfolio planning: the options come in many shapes and sizes

At Vickers, da Costa, we have built-up an outstanding range of investment services for both institutional and private clients.

Private Portfolio Management: Investment management service for resident and non-resident investors... Bridge Personal Financial Services: Personal asset management including tax planning and insurance... Pension Funds: Full range of services designed for the management of company pension schemes... Unit Trusts: Bridge Fund Managers provide a range of funds suitable for both institutional and private clients... VICKERS, DA COSTA & CO. LTD., Members of The Stock Exchange, Regis House, King William Street, London EC4R 9AR, Telephone: 01-623 2494.

Brown Shipley Investment Management FOR INSTITUTIONS · PRIVATE CLIENTS · PENSION FUNDS AND CHARITIES Managers of the BROWN SHIPLEY UNIT FUND BROWN SHIPLEY EXEMPT FUND Brown, Shipley & Co. Limited, Founders Court, Lothbury, London EC2R 7HE. Telephone: 01-606 9833

Handwritten Arabic text: صكنا من الاصل

PORTFOLIO PLANNING III

Life assurance a useful plank

THE LIFE assurance industry is now the largest single savings medium in the U.K., accounting in 1975 for £1.4bn. of savings—14 per cent of the total. It has long been the largest source of money for investment, hence the demands from the unions and the Left-wing of the Labour Party varying from a direction of investment to outright nationalisation.

Life assurance contracts are being increasingly used as the basis for investment portfolios. A trend that has accelerated in the past decade or so. This week it was announced that new annual premiums in 1976 had risen by 18 per cent and new single premiums by 89 per cent.

What has life assurance to offer the investor as a savings medium in planning his portfolio? The most important feature is that the premiums paid on regular savings contracts are, subject to certain conditions, eligible for tax relief. This amounts to standard rate relief on half the premium. Thus investors can claim back 17½ per cent on their outlay from the Revenue—that is, every £10 paid over to the life company for investment effectively costs the investor £8.50.

No other savings media receives such a subsidy from the Revenue and it certainly gives life assurance a competitive edge. Next, life assurance, as its name implies, provides death cover on its contracts. Thus if the investor is unfortunate enough to die before the expected savings period is completed the money becomes available immediately at a value approaching the target figure. With, say, a building society investment, the amount of accumulated contributions only would be paid. Life contracts carry a high level of death cover guarantee, indeed they have to in order to obtain tax relief.

Then life assurance contracts carry varying levels of investment guarantees, a factor that is often important in portfolio planning. This varies from a return of premiums paid on some unit-linked contracts (although many unit-linked policies have no guarantee at all) to the traditional life contracts which have a high level of guarantee. For instance, under a with-profits contract maturity value cannot be less than the sum assured plus all attaching bonuses, even though the date is some time in the future.

This means that under a traditional contract the return is never less than the premiums paid, a useful feature to some investors who are now pinching their budgets with the vagaries of the market. They can usually be relied on to buy at the top of the market and sell at the bottom and so have become disillusioned with the market, where

timing is all important, that they welcome some guarantee that they will not lose money.

This leads on to a further feature of life assurance, the professional management of the underlying portfolio which backs the life contract, although this feature is present with other investment mediums. The life assurance industry has built up over the years a reputation for investment expertise and the size of some of the long established funds provide a stability in the returns even when the market is going through a bad patch.

Detail

But it took the newly formed Linked Life companies to show how to present life assurance as one of the main planks of portfolio planning. Until their advent, the existing life companies just sold life policies. Now all the companies are paying much greater attention to packaging of contracts to meet varying requirements.

The companies are now endeavouring to instruct their representatives not simply to sell life assurance but to explain to clients what investment and protection needs and show how the company's products can meet these needs. The insurance brokers have now become much more sophisticated and are offering financial planning services of which selling life assurance is just one important facet.

The first basic step in portfolio planning is not only finding out what the client wants, but also pointing out what he needs. A young man with a family should first of all ensure

that they would be financially secure should he die. But it has been said that there are two motivations for investment—need and greed and the more powerful by far is greed. Such is human nature.

Therefore the individual puts much more emphasis on savings and as the pension provision by employers and the State becomes more sophisticated a person's protection needs are going to be covered by the pension scheme. The individual will be able to devote his attention to savings for specific objectives knowing that his protection needs have already been covered.

The first point for the investor to understand is that life assurance covers medium and long-term savings. The minimum investment period to qualify for tax relief is 10 years. The second point to emphasise is that life assurance is not a savings bank. The value of the investment especially in the early years does not rise steadily and early cash-in may well result in a loss even on conventional life contracts.

The first use of life assurance is that it can provide money at a specific time—on death or at the end of a given period. Thus in portfolio planning it can be used to meet and fund Capital Transfer Tax requirement. The life companies have been active in packaging policies to meet CTT requirements. In particular, they have actively promoted whole life policies where the sum assured (and bonuses if a with-profit contract) is paid on the second death of husband and wife.

Second, the policies can be arranged to meet a specific

need, such as the provision of school fees. Some life companies are now putting together a series of life contracts that mature in successive years to coincide with the payment of fees.

Third, life assurance contracts can be used for investment in specific media, where direct investment, even for the larger portfolios would not be feasible. Direct investment in property is a notable example and property funds are now enjoying a return in popularity with investors.

Finally, the investor by combining conventional and unit-linked contracts can provide a solid savings base with opportunities for the more speculative investment that return high rewards but involve greater risks. In choosing between conventional and linked business the guiding principle should be does the investor need a specific sum for a definite purpose. If he does, such as the payment of school fees then a conventional contract would be more appropriate. Linked contracts require careful timing of cash-in to get the maximum value.

The linked life companies are now becoming aware of this fact and are packaging some of their products so that over the final years before the money is needed the units are switched into a money fund so that the value can be preserved. This can be important in say a self-employed retirement contract, where the investor wants a high return, but he does not want to defer retirement because the market is temporarily depressed.

Eric Short

If you are seeking to improve the performance of your property investments in 1977

Michael Wheldon, ARICS would be pleased to discuss your property portfolio with you.

Richard Ellis 64 Cornhill London EC3V 3PS Telephone: 01-283 3090

Richard Ellis Chartered Surveyors

Tax and its toll

A FEW YEARS ago it was possible for people to slot their various professional advisers neatly into their relevant grooves. There were solicitors for legal matters, stockbrokers for stocks and shares and accountants for taxation. Now, however, this categorising is not quite so easy. The business world is more complex and the respective experts are being forced to take on new skills so that some considerable overlapping occurs.

This is nowhere more true than in taxation, which new legislation has made of primary interest to almost all professional men, particularly those concerned with investments. It is now essential for investment managers to be fully conversant with all aspects of taxation and how they relate to each individual client's affairs. They must be fully aware of each client's liability to personal taxation, Capital Gains Tax and Capital Transfer Tax.

There would after all be little point in constructing a portfolio of income shares for someone who is already liable to the highest rate of income tax. Taxable income of over £20,000 per year incurs a rate of 83 per cent. Since all investment income incurs a taxation surcharge of 15 per cent, a higher rate taxpayer's income on investment is taxed at 98 per cent. Thus a person investing £100,000 on a 10 per cent return per annum would see his investment income of £10,000 gross reduced to just £200 at the net level.

Capital growth must therefore be the main aim of any portfolio designed for a high rate taxpayer. Returns on this type of investment would, of course, fall liable to Capital Gains Tax but by steering the investments into the right channels a competent investment manager should ensure that the burden of this tax is not too severe. For instance, CGT is not chargeable on the redemption surplus of Government stocks held for more than twelve months. It is therefore up to the investment manager to ensure that a client is prepared to hold on to his gilts for at least the required length of time.

as with gilts, the investment manager must ensure that his client is prepared to hold on to the bond until the most suitable time for encashment.

This will inevitably be when the client's personal tax liability is at its lowest. If the bond is cashed at a time when the investor is paying the highest rate of tax the profits will be taxed at 98 per cent. The normal tax rate on the profits of one of these bonds is 37½ per cent. The ideal time for cashing one of these bonds is during retirement, when the holder could possibly have no personal tax liability, or when he is working overseas.

Capital Transfer Tax, which is the newest piece of tax legislation to henuise both laymen and professional men alike is also one of the most rigid taxes ever to be introduced. This is because there are no loopholes whatsoever. Apart from capital transfers between spouses, and those which are connected to the education, maintenance and training of offspring, a person is allowed to give away only £2,000 per year without incurring CTT. This tax, which replaced Estate Duty in the 1973 Finance Act, is also chargeable on all but the first £15,000 of the remaining estate on a person's death.

The people who have been hit hardest by the introduction of CTT are those who wish to make some kind of monetary provision for children with whom they have no parental ties. These can include grandparents, uncles, aunts and family friends and they represent a surprisingly large number. Indeed roughly a third of the school fees plans currently in operation in the U.K. were taken out by grandparents.

The comprehensive nature of CTT means that the only feasible way of making this type of provision now is via the exemption limits. With £2,000 per year to play around with a competent specialist should be able to devise a reasonable trust fund for anyone wishing to pass on their wealth in this way. But the word specialist is important here. Gone are the days when the layman had a reasonable chance of competently handling his own financial affairs in their entirety. In all of the cases mentioned above the need for expert guidance is paramount. It is essential when seeking financial advice for people to ensure that the specialist they choose is equipped with all the necessary knowledge and expertise in the fields of both investment and taxation. And because of this it is far wiser to approach a reputable professional, with a proven record, than to follow the advice of any amateur "financier." No matter how well intentioned.

Tom Kyte

A new name in the investment world.

THE BRITANNIA GROUP

The name Britannia will be the only thing that is new to you. You already know the management, the range of services and the record of success. We have built up a proven record of success in investment management as Slater, Walker Trust Management Ltd. and Slater, Walker Fund Managers Ltd. and under our new name we will continue to provide a comprehensive range of investment management services. The same management team will continue to look after the interests of over 300,000 investors with funds in excess of £250,000,000 under management. There are two companies you need to know:—

BRITANNIA TRUST MANAGEMENT LTD

BRITANNIA FUND MANAGERS LTD

This company offers investors a full range of authorised unit trusts with a total value of over £150,000,000 and is one of the largest unit trust groups in the country.

This company specialises in investment management for pension funds and private and institutional clients. This is a highly personal service, tailored to the client's particular requirements and investment objectives. The company also offers a personal Unit Trust Portfolio Management Service.

Accompanying services include a share exchange scheme and unit linked savings plans, with or without life assurance. Britannia Trust Management Ltd. is a member of the Unit Trust Association. National Westminster Bank Limited acts as trustee to all the trusts managed by the company.

To complement the services offered in the U.K., a Jersey-based company offers international investors a comprehensive range of investment management services including unit trusts.

Further information may be obtained by writing to Mr. K. A. Crowley at the address in the coupon below.

Further details of the services offered may be obtained by writing to Mr. R. Porter at the address in the coupon below.

To: The Britannia Group, 3 London Wall Buildings, London Wall, London, EC2M 5QL. Name: Address: I am interested in: unit trust investment private portfolio management Please send me further details.

FT 1501

THE BRITANNIA GROUP

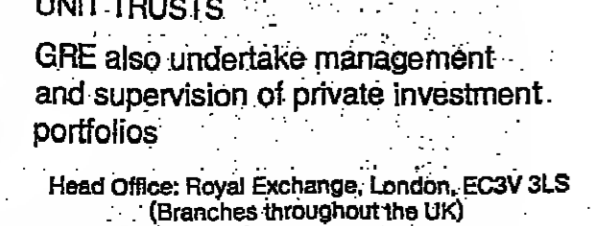


Royal Exchange, London. The heart of GRE's worldwide insurance services.

INVESTMENT WITH ASSURANCE

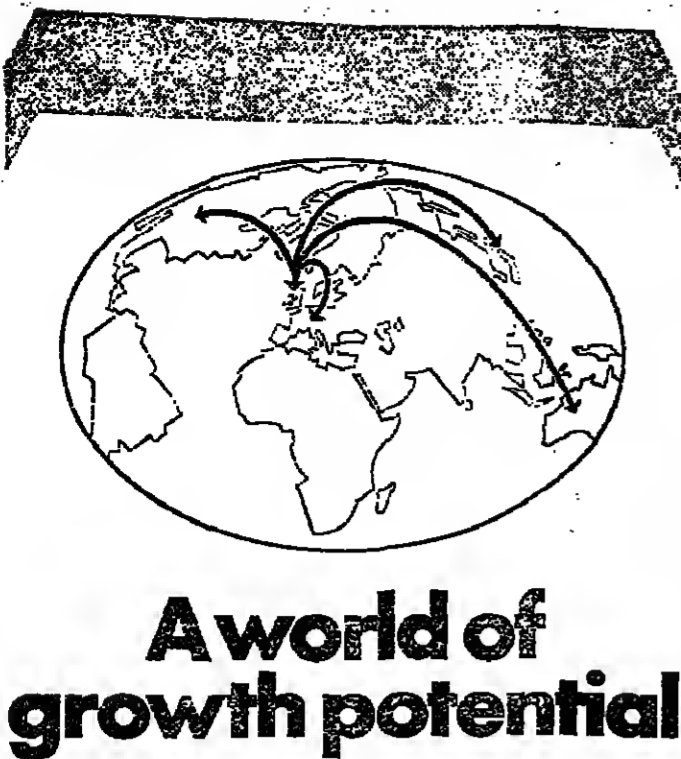
- Conventional WITH-PROFITS policies Policies linked to investment in (a) Guardhill Trust Units (b) Guardian Assurance Property Bonds PENSION PROVISION by the self-employed—yearly or single premium PENSION FUNDS—through GRE Pension Managed Fund and Deposit Administration GRE act as TRUSTEES under Wills, Settlements, Debenture Issues, and for UNIT TRUSTS GRE also undertake management and supervision of private investment portfolios

Head Office: Royal Exchange, London, EC3V 3LS (Branches throughout the UK)



A good name to trust your business to

PORTFOLIO PLANNING IV



A world of growth potential

For the private investor, the international market has recently taken on an increased significance...

Now, in response to growing demand, one of Britain's major insurance groups has made available an important new avenue of international investment...

U.K. residents are now able to invest in a Bond linked to the performance of an overseas-based Fund managed by an international team of high repute...

Full details of this attractive new investment can be obtained by returning the coupon below.

Leslie & Godwin (Life and Pensions) Limited Dunster House, Mark Lane, London, EC3P 3AD

Form fields: Name, Address, Telephone No.

Form fields: P.S. Wilson, Director; Leslie & Godwin (Life and Pensions) Limited; Dunster House, Mark Lane, London, EC3P 3AD

Please provide me with details of international investment.

Advertisement for Anthony Wieler + Company Limited, personal investment management.

Stock market operations

THE SQUEEZE on personal wealth, the generally disappointing performance of the equity market and the rapidly rising cost of dealing in shares have all played a part in the decline of the importance of the private investor as far as the Stock Exchange is concerned.

institutions - like insurance companies - and to the building of a personal portfolio. To take the latter as an example, they have seen shares and deposits pile up in recent years by between £2bn and £4bn, annually, to a current total of some £26bn.

The key to success in this field lies, first, in tailoring different services to different types of client so that both the big and small investor can be dealt with economically.

provides a much steadier flow of activity, and therefore commissions, than the institutional investor. The herd instinct among institutional investors is strong, and periods of intense activity are separated by lengthy phases in which the big funds may almost stop dealing.

particularly true when his portfolio is managed on a discretionary basis by the stockbroker, as is often the case, although naturally the funds are not turned over simply to generate a flow of commissions.

able will vary from one firm to another. On a £20,000-£25,000 a commission figure, a link with the broker is still possible, however, for less wealthy clients through broker-managed unit trusts which are numerous.

Scales and charges

PORTFOLIO MANAGEMENT is now big business, with the traditional fund managers such as the banks and stockbrokers extremely active in the face of growing competition from smaller management groups outside these areas.

on the smaller private portfolios, but a large slice of the portfolio will be invested in the "in-house" unit trusts where they can be managed profitably.

Hamro's charge is a flat £5 per £1,000 up to £500,000; thereafter the fees are scaled down. Unlike the merchant banks the clearers move into the field of personal fund management has been more recent.

why the stockbrokers are now becoming more active in the field since they are prepared to run the portfolio at a much lower level while at the same time there seems to be a more active communication system between manager and client.

The most basic service which a broker can offer his client is of course a simple dealing facility, with the client buying and selling according to his own wishes - aided, maybe, by the individual or circulated recommendations of the broking house.

Some firms which have had success of the private side is Greaveson Grant, who has five partners specialising in this type of business.

Overheads

The minimum requirement, in terms of the portfolio value, along with the actual cost of running the portfolio have, however, shown a marked upturn of late.

Some of the banks, presumably aware of this slight fall in their financial range of services, have made efforts to bridge the gap between the top and bottom end of private portfolios.

Most of the brokers still only charge the Stock Exchange commission rate on dealings but once again that common problem, rising overheads, is forcing some to introduce a form of management charge.

Rowe and Pitman is in the process of reorganising its private client side and a management charge is to be introduced. This will work but at roughly 0.2 per cent of the funds value.

The lower limit of portfolio size at which this kind of individually tailored service is available.

Barry Rice

Switched

While the investment policies seem to move in the same direction from bank to bank there are a number of variations when it comes down to the level of fees charged.

While it is easy to understand the need for the banks with their high overheads to push the smaller funds into units it does tend to take the personal element out of the investment.

At the end of the day, therefore, it is questionable whether City of London-based fund managers have the necessary expertise to venture into foreign markets.

It is therefore important to have, if not local representatives, then access to local expertise, in other words it is possible to operate in the overseas markets from London, provided that someone is on hand to gauge local "feel".

It is therefore important to have, if not local representatives, then access to local expertise, in other words it is possible to operate in the overseas markets from London, provided that someone is on hand to gauge local "feel".

David Wright

Advertisement for Peter Baker, Schlesinger Investment Management Services Ltd. Text: 'We have for many months argued that there is no alternative to a decline in the UK's inflation rate...'

Investing abroad

AT ANY given time certain stock markets throughout the world will look more attractive than others: this is natural. Equally natural is the fund manager's desire to enjoy some of the good performance that perhaps is not always available on his home patch.

The double edge of this particular horror hit some trusts extremely hard. Indeed one or two were almost completely wiped out as a result.

The lessons learned were salutary. It is one thing to be a superb selector of shares and chooser of the most lucrative markets. It does not always follow that the fund manager has an equally good knowledge of the international currency markets to match.

Another problem with multi-currency loans is that they are expensive to set up and also complex. It is therefore essential that the results justify the expense and trouble involved.

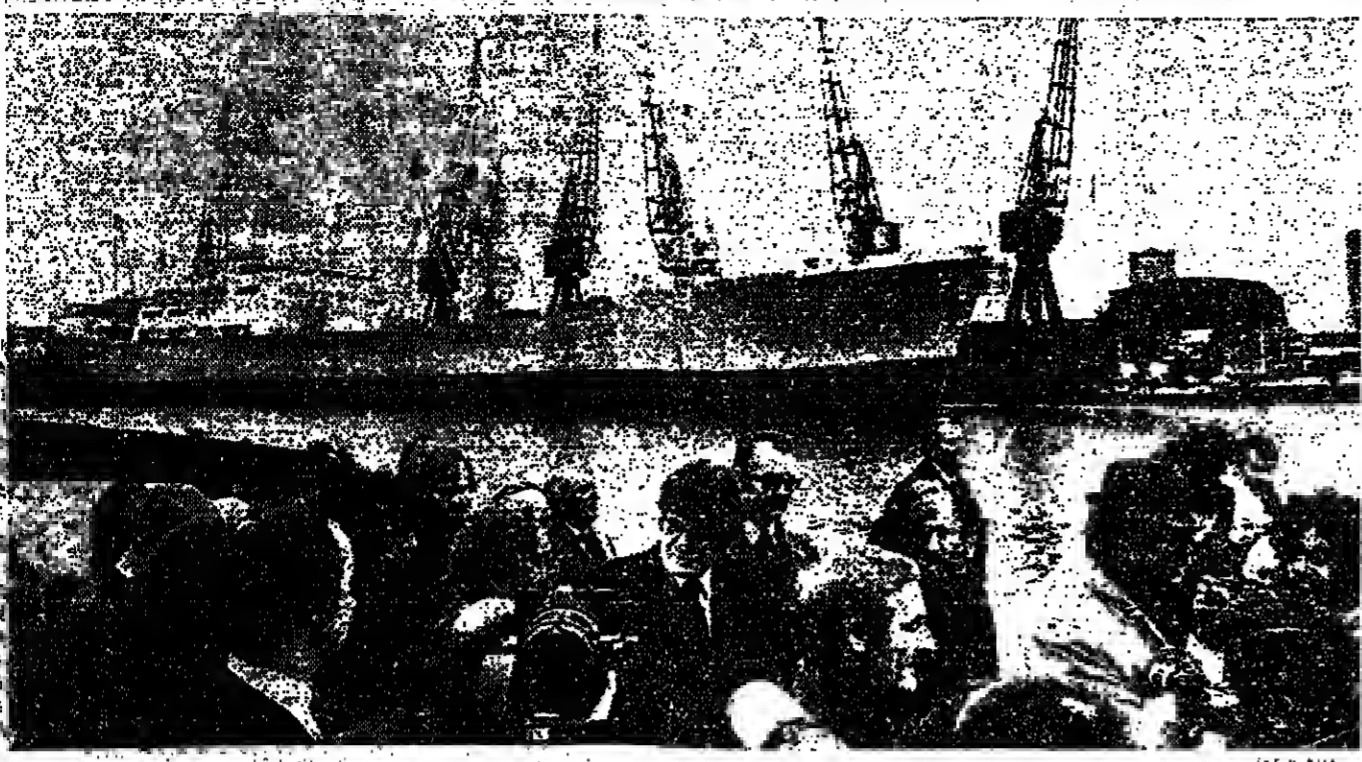
Keith Lewis

Advertisement for FT-ACTUARIES SHARE INDICES. Features: '15 YEAR BOUND RECORD WITH UPDATING SERVICE', 'Since their first appearance in April, 1962, the Financial Times-Actuaries Share Indices have steadily acquired a world-wide reputation...' Includes a form for requesting more information.

Schlesingers Specialists in the management of private, institutional and pension funds.

HOME NEWS

OVERSEAS NEWS



After his decision to surrender the Government's industrial policy, Mr. James Callaghan yesterday ventured on the first of a series of on-the-spot visits... For eight hours he toured east London with Mr. Peter Shore, Secretary for the Environment, and an MP for the area, and Sir Reg Gopwin, Leader of the Greater London Council.

To ward off the intense cold and sleet, the Prime Minister wore a fur hat which he received in Canada last September from the manager of the Canadian ice hockey team. After visits to factories and council offices, Mr. Callaghan and his party stopped in the Royal Albert Docks to talk about the waterside problems of exporting.

North Sea gas royalties now total £70m.

BY RAY DAFTER, ENERGY CORRESPONDENT
THE OIL industry has paid the Government about £70m in royalties for gas extracted from the North Sea to the end of 1976, the Commons was told yesterday. A further £21.4m is expected to be paid in the current financial year.

Bank man remanded in fraud case

NINE MEN were remanded at Bow Street, London, yesterday until April 15 on a number of charges, including fraud and conspiracy. Mr. John Martin, 41-year-old, of Houtwood Close, Chislehurst, Kent, was given bail in his own recognisance of £10,000 with two £5,000 sureties.

Thatcher gambled on backlash

BY OUR LOBBY STAFF
THE LIBERAL leader last night actually attacked Mrs. Margaret Thatcher, for blatant political opportunism, and urged her to put the national interest before the interests of her own party.

Tories table motion on Press freedom

BY RUPERT CORNWELL, LOBBY STAFF
IN THE wake of Thursday's heated Commons exchanges over the production stoppage at the Times, the Tory backbenchers yesterday put down a motion urging the Government to reaffirm unequivocally its commitment to a free press.

Report delayed

A Monopolies Commission report on the car and dog food markets has been delayed because of pressure of work. Mr. Roy Hattersley, Secretary for Prices, extended the deadline until April 22.

Savings success

THE issue National Savings certificates, which went on sale from December 15, brought in more than £50m in their first week of offer.

Maiden voyage

CENTRAL Electricity Generating Board's largest coal-carrying vessel, the *Garibon Point*, made her maiden voyage from the National Coal Board's deep-water terminal at Immingham, Humberside, to West Thurrock power station.

Furniture down

DOMESTIC furniture deliveries in November are estimated by the Department of Industry at 58.2m in value, giving a seasonally-adjusted index of deliveries for the month of 150 (1970=100).

Rees warned

Chief Constables meeting at Scotland Yard warned Mr. Merlyn Rees, Home Secretary, that the reduction in police expenditure would seriously affect the maintenance of law and order.

Government offices plan in Guernsey

GUERNSEY'S Parliament is to be asked on January 26 to approve the purchase of one of the island's largest new buildings, Commerce House, for government offices.

Brewery venture

SCOTTISH AND NEWCASTLE Breweries is to spend £13m on building a distribution depot at Stockton-on-Tees. It will include warehousing, offices and carpark, and serve a 2,000-square-mile area.

Airline fares to Africa up in April

OUR Aerospace Correspondent
FARES on scheduled air services to Africa rise by 3 to 10 per cent from April 1 as a result of an agreement between the members of the International Air Transport Association.

Judge doubts validity of exemption clauses

FINANCIAL TIMES REPORTER
ESTATE AGENTS' exemption clauses, designed to exclude agent and vendor from liability for mis-descriptions of properties for sale, may be untenable, a High Court judge said yesterday.

Evidence on accounting at Slater hearing

IN succession to Arthur Young, he was called by Mr. Ronald Dennis Garrett, a leading forensic accountant, to give evidence as an expert witness in the case of Mr. Jim Slater and Mr. Richard Tarling, which has now reached its eighth day.

Japan verdict on EEC cars soon

BY CHARLES SMITH
TOKYO, Jan. 14.
THE JAPANESE Cabinet is to decide before the end of January on an EEC request for a grace period of three years (four years for existing models) in the application of the 1978 emission controls to European cars.

Oil, arms sales warning by Shah

BY DAVID BELL
IRAN IS prepared to consider buying more Russian arms if the U.S. curtails its arms sales, the Shah says in an interview published here today.

Australia bid to stem capital inflows

BY JAMES FARRE
SYDNEY, Jan. 14.
THE AUSTRALIAN Government has imposed controls designed to stem the flood of capital into the country in the wake of the 17.5 per cent devaluation of the Australian dollar.

Brandt may head a North-South team

BY JUREK MARTIN, U.S. EDITOR
WASHINGTON, Jan. 14.
HERR WILLY Brandt, the former West German Chancellor, is being accepted as an invited guest to the summit meeting of the World Bank, to head a new international commission to break the current impasse in the dialogue between the industrialised and developing nations.

More Foreign News Page 22

Waldheim, the United Nations Secretary General, who described it as a step forward to solving the stalled negotiations.

Papandreou claims EEC's price too high

ATHENS, Jan. 14.
THE LEADER of the Opposition Panhellenic Socialist Movement, Mr. Andreas Papandreou, yesterday claimed in Parliament that Greece was paying too high a price for EEC entry.

PLO appears likely to accept Jordan linkage

BY MICHAEL TINGAY
CAIRO, Jan. 14.
THE Israeli-occupied West Bank territory should have first word on its future, this was widely interpreted as meaning that the PLO would accept a linkage with Jordan.

Sri Lanka PM refuses talks

MRS. SRIMAWA Bandaranaike, the Prime Minister of Sri Lanka, has turned down a joint opposition request for talks on the current situation.

No agreement on L'Express

NO AGREEMENT has yet been reached in the negotiations between the French L'Express publishing group and a number of international groups interested in taking a stake in L'Express.

West Germany pensions move

BY ADRIAN DICKS
BUNN, Jan. 14.
WEST GERMANY'S generous state old age pension scheme, threatened with serious deficits by a mixture of revenue shortfalls and rising obligations, is to be put back into balance by a new financial arrangement.

USSR warned on Berlin

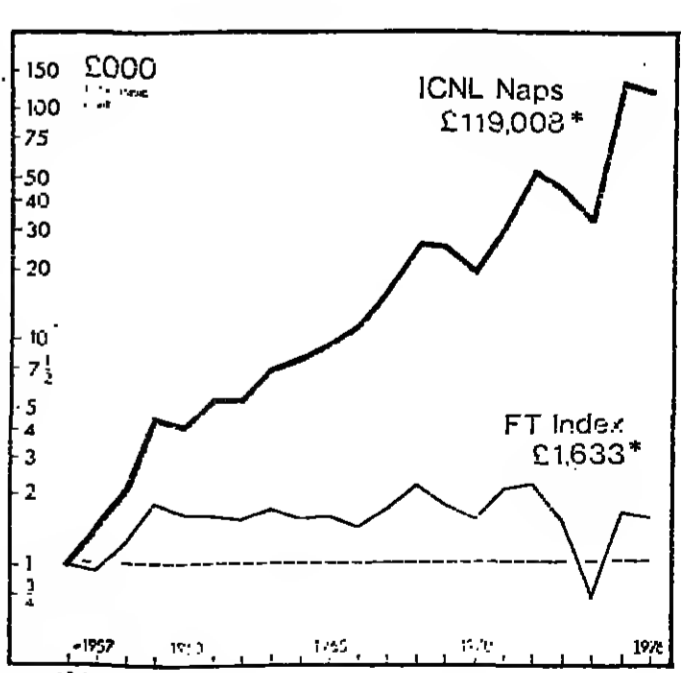
BY LESLIE COLITT
BERLIN, Jan. 14.
THE THREE Western Allies responsible for Berlin have warned the Soviet Union against allowing East Germany to further change the city's status.

New off-shore oil licences

BY OUR OWN CORRESPONDENT
PERTH, Jan. 14.
WESTERN AUSTRALIA is to call bids for exploration of the Exmouth plateau, considered Australia's best undrilled oil prospect.

DON'T BE LEFT FURTHER BEHIND IN 1977

See how IC News Letter selections performed in previous years



All the beginning of every year the IC News Letter selects a number of shares for capital gain over the following twelve months - its Naps Selections. The chart above shows the cumulative 12-month performance of each year's Naps Selections over the last 20 years. If you had invested £1,000 in the 1957 Naps Selections and reinvested the proceeds at the end of each year in the annual selections, your initial £1,000 would now be worth £119,008 (the £ gain, tax and expenses) against a mere £1,633 if you had invested in the FT Index.

Please enter my name as a subscriber, with the January 6, 1977 issue. I enclose £23.00 for one year (£26.50 airmail outside UK) (includes filling binder) £6.00 for a three month trial subscription (£7.00 airmail) Please invoice for £23.00/£6.00 (delete as appropriate) (Cheques to be made payable to The Economist Publications Ltd.)

THE FINANCIAL TIMES

Incorporating THE FINANCIAL NEWS
(Established 1894)

Head Office Editorial & Advertisement Offices:
BRACKEN HOUSE, CANNON STREET, LONDON EC4P 4BY
Telephone Day & Night: 01-248 8000. Telegrams: Financial Times
For Share Index and Business News Summary Rings: 01-246 8028
... (rest of address and contact info) ...

SATURDAY, JANUARY 15, 1977

Tapping the demand

THERE have been two main pieces of financial news this week, and they are closely connected with one another. The first is the negotiation through the Bank for International Settlements of a \$3bn. medium-term credit to cover any further run-down of sterling balances held by overseas governments. The second is a huge demand for gilt-edged stock, which has obliged the Bank of England both to ease temporarily its squeeze on bank liquidity and to follow up the over-subscription of what was to have been a new short-dated tap stock with the announcement of a very large new long-dated issue.

Long-term rates

The Government has sold a large amount of gilt-edged stock since the autumn—enough to ensure that this year's limits for the growth of the money supply are observed—and the improved outlook for sterling has increased demand to an embarrassing extent. The £500m. issue of short-dated stock was oversubscribed. The Bank of England, in fact, repeating on a considerably larger scale the action it took at this time last year, has had to ease the restrictive effect of seasonal tax payments and heavy gilt-edged sales by returning special deposits to the banking system—with a hint that they may call them back again once the present stringency passes.

Reserve currency

Since the more volatile official holdings of sterling have already been heavily run down, this may seem to be a classic case of bolting the stable door after the horse has left. But it is the stated intention of the Government to discourage the future use of sterling as a reserve currency. Existing holders of sterling balances are, therefore, being urged to switch their holdings into a new, medium-term bond denominated in foreign currency, which the U.K. will have to repay out of the exchange surplus it is due to earn from North Sea oil.

Letters to the Editor

Dividends

From Mr. P. Milne
Sir—May I add a point to the argument for ending dividend limitation of Moody's leader. I refer to the linkage between dividend limitation and industrial investment. A problem GEC and other companies find in considering investment is the difficulty in reconciling the likely rate of return with the valuation of the business by its owners. At 18p a GEC share is an asset generating a pre-tax return of 22 per cent. on reported earnings. Probably the best investment the company could make with its surplus cash would appear to be its own equity. Since it cannot by law do this, the scheme to return cash in the form of loan notes achieves the same end by allowing shareholders to reinvest, if they wish, in further shares.

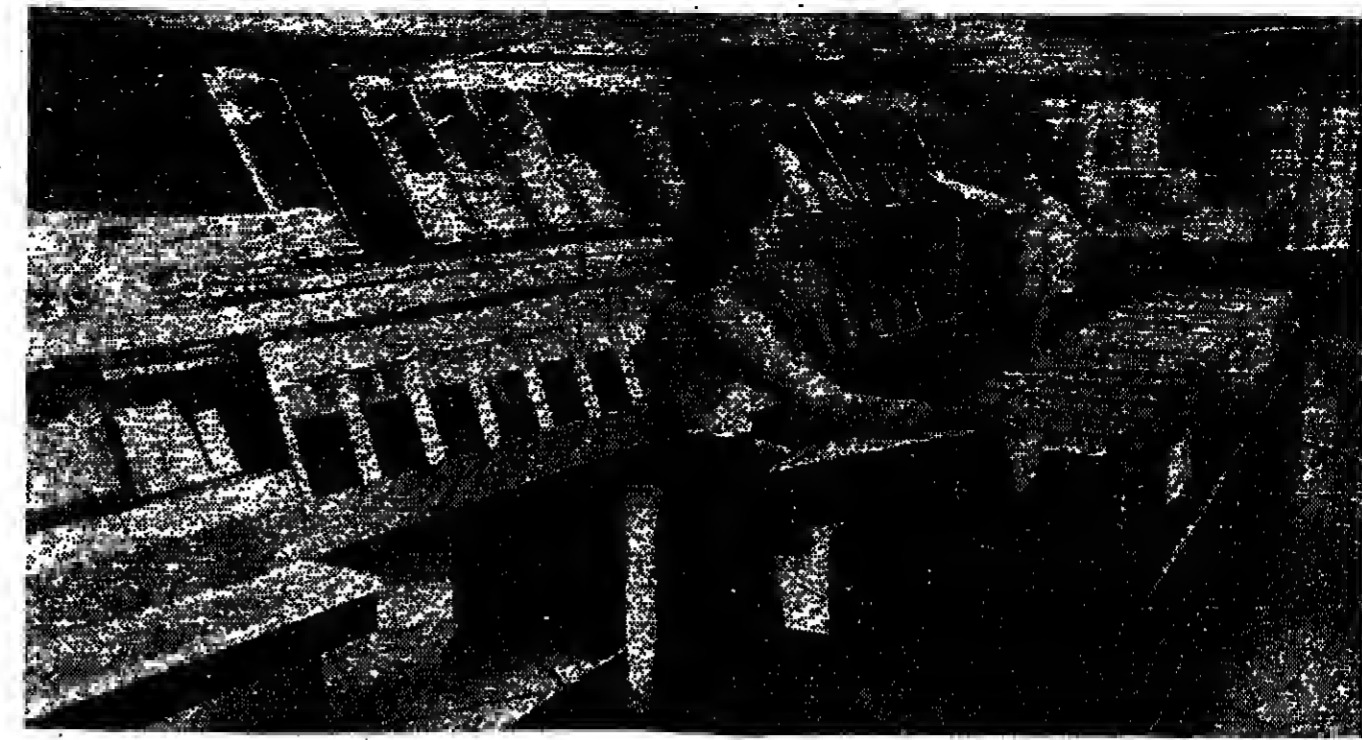
Trading

From Mr. P. Cooper
Sir—It was with a feeling of sadness that I read the report by Mr. Peter Bullen on January 7, concerning New Zealand cheese and imports to the United Kingdom. As a New Zealand dairyfarmer on an exchange visit here for nine months, I would like to endeavour to present the other side of the picture. We in New Zealand have been exporting butter and cheese to the U.K. since 1888, and in return have imported British manufactured goods, and up until your entry into the EEC this had been a happy and healthy trading relationship. At the time of the successful EEC negotiations we in New Zealand were greatly moved by your loyalty to us, in your insistence when dealing with the six "that satisfactory arrangements for New Zealand dairy products were a precondition to your entry. We were especially grateful as our dairy industry over the years had developed as a highly specialised supplier to the U.K. market, and were to be excluded from it would be in desperate straits, as world markets outside the U.K. do not exist to take all our butter and cheese.

Resources

From Mr. H. Holmes
Sir—I fear that the nation is concentrating upon the recovery from North Sea oil and gas as being a means only of solving our short-term balance of payments and productivity through a revenue. Surely we should ensure

This week's news about the removal of ICI computer tapes in Holland, and the demand for £275,000 ransom highlights one facet of computer security. The problem's other aspects are studied by David Fishlock, Science Editor, who writes that technology can go only so far in protecting organisations against theft



Verifying cheques in the new electronic data-processing centre at Barclays' clearing department in London.

Computers and the criminal

IN the early 1970s the U.S. telephone companies became very agitated about a craze called "phone phreaking," in which people were able to use the telephone free by acquiring an inexpensive blue box of electronics just three inches long. The blue box was tuned to whistle at a frequency which gave the "phone-phreaks" ready access to the tone-controlled U.S. telephone system. Once in, they could ring without charge virtually any subscriber worldwide. They found it a very hoody experience because, at the cost of a few dollars, they could play games with one of the most powerful and pervasive machines in the world, with an ease that would be inconceivable in the case of, say, the electricity or railway systems.

Multi-programming, which enables a computer to carry out many different tasks simultaneously, and new kinds of terminal (even the telephone handset) which allow people to use big computers with much greater ease, are the technological advances now placing the computer at increasingly great risk of abuse. At the same time the numbers employed on computers have grown rapidly—above 2m. in the U.S. alone, at least 3 per cent. of the workforce.

spotting anomalies and irregularities is an important new requirement to security. The Stanford report forecast that computer users would depend principally on this technique for some years, until more powerful technological solutions were ready. It even predicted that a new generation of computers is now in the

LOSSES THROUGH COMPUTER ABUSE

Losses in 65 cases between 1964-73 in which losses are known.

Year	Number of cases	Total losses (\$m)	Average losses (\$k)
1964	2	5.1	2.5
1965	1	.725	.725
1966	1	.001	.001
1967	0	0	0
1968	5	12.25	2.45
1969	4	1.057	.264
1970	12	10.92	.91
1971	16	20.007	1.25
1972	17	12.105	.72
1973	7	27.6	3.94
Total	65	90.514	1.39

an illuminating study by the Stanford Research Institute for the National Science Foundation in Washington examined 148 recorded cases of "computer abuse" between 1964-73, including the \$2bn. fraud perpetrated by executives of Equity Funding Corporation of America, involving the issue of 50,000 bogus insurance policies to re-insurers, which is still exercising the U.S. courts.

Wastepaper basket

Then there are cases where someone has apparently breached security quite by accident, then used the knowledge for personal gain. Two engineers by chance used a pass-code one digit different from their own, and found it was that of the president of their time-sharing company, and that it offered access to data on customers and accounts. A bright schoolboy found a pass-code in a wastepaper basket and thereafter enjoyed himself playing computer games. At this point it is worth recalling that "phone phreaking" began because someone spotted the critical frequency, 2,600 hertz, in the Bell Technical Journal.

From what is known so far, the ICI case, in which nearly half a ton of computer tapes were removed and used to try to extort a ransom, was only peripherally related to the computer. It was more akin, in fact, to abstracting ordinary files. But it brings home one fact easily forgotten, namely the intrinsic value of information when highly condensed and transportable. ICI has admitted that the cost of replacing the tapes in computing time alone would have been considerable.

One case concerned a chief accountant who embezzled \$1m. over six years, using a financial model of his company to determine when he could make payments to himself without risk of detection. (He got ten years.) Another was a programmer who arranged that his computer

But another organisation could

Days of discovery in Mexico

Discover the secrets of Mexico's past in the ruins of Choluta, where the Indians built a colossal pyramid in honour of the Gods of Spring Water. Discover the secrets of Mexico's future in the Spanish inspired cities of modern buildings and wide boulevards. Discover the secrets of Mexico's present. Send for Welcome Tours brochure, or drop in at your local Travel Agent. Then you'll discover we have many ways to show you Mexico. 16 days from £399. Prices include first-class hotels and economy class air travel.



To: Air France, Dept. PU, 69 Boston Manor Road, Brentford, Middlesex TW9 9JQ. I am particularly interested in tours to the Galapagos, French Caribbean, South America, Mexico, Mauritius, Concorde Tour (Tick as appropriate).

Name: _____
Address: _____ FT 15/1

AIR FRANCE welcome tours

Handwritten note in Arabic script at the bottom of the page.

COMPANIES NEWS COMMENT

Thorn up 34% to £42.4m. at half way

EXTERNAL turnover for the six months to September 30, 1976, of Thorn Electrical Industries expanded by 33 per cent to £41m. and pre-tax profits advanced by 24 per cent from £12.6m. to £20.3m.

The improvement in profits was attributable mainly to overseas operations and the continued growth in colour television rental in the U.K. and overseas.

The second half has started well, he says, and full year results are expected to show satisfactory growth.

First half earnings are shown to be up from 11.1p to 14.1p per 25p share and the interim dividend is lifted from 2.25p to 2.75p net.

In the U.K., the lighting division recorded an increase in profits but trading conditions for consumer electronics products were dull with margins seriously affected by inflation.

Turner Mfg. second half advance. The progress by this commercial gearbox group, contrasted with the forecast at the interim stage that profit for the second month would show only a 'small improvement' on the same period of 1975-76.

DIVIDENDS ANNOUNCED

Table with columns: Company Name, Current payment, Date, Total last year, Total this year. Includes Thyndall Overseas, Vita-Tex, Brev Walker, etc.

Higher demand. The aircraft and marine sides slumped during the first half but the truck and tractor divisions, with strong growth overseas...

Optimism at Brent Walker. The program of investing substantial sums in updating and expanding the range of products is being maintained, members are told.

First half earnings are shown at 0.3p (1.2p). The interim dividend is lifted to 0.35p net per 3p share.

First half jump by Vita-Tex. Manufacturers of warp knitted fabrics, Vita-Tex reports a more than doubled pre-tax profit of £197,000 for the half year.

Results due next week. Improved earnings on sugar remain expected to have hooded full-year profits at rate and Lyle. The hot summer increased sales of beer, soft drinks and ice cream which all have a substantial sugar content.

Table of Final Dividends for various companies like Borden, Corby, Dewhurst, etc.

Table of Interim Dividends for various companies like Allied Dairies, Amper, etc.

Peak £1.4m. at Leyland Paint

After a turnaround in the first half from losses of £28,000 to a surplus of £21,000 before tax, the improvement at Leyland Paint and Wallpaper has continued and profits for the 53 weeks to October 2, 1976, are a record £1,389,000 compared with £423,000 for the 52 weeks.

The results reflect higher levels of activity in all sections together with benefits arising from capital expenditure made in previous years.

Midterm slip by Cray Electronics. Pre-tax profits of Cray Electronics slipped from £218,100 to £209,700 for the six months to October 31, 1976.

Midterm slip by Cray Electronics. Pre-tax profits of Cray Electronics slipped from £218,100 to £209,700 for the six months to October 31, 1976.

Moran Tea Purchase. Moran Tea Holdings and Litchfield and Soudry announce that they have agreed to purchase all the shares in Moran Tea.

Hestair-Spear and Jackson. Shareholders of Spear and Jackson are told they will receive information on 1976 profits and dividend also on current and prospective financial performance.

Booker Kinloch. The Booker-McConnell offer for Kinloch (Provisional Merchants) has been accepted by shareholders.

Nash Sells A. Fisher Stake. J. F. Nash has sold its entire 26 per cent holding in the Albright Fisher Group for £204,058 in cash.

Spencer Clark Profit more than halved. The group's June 1976 issue brought the forecast down below the 10 per cent mark but this has since been achieved.

Capital and Counties revenue loss

In the half year to September 30, 1976, the two counties of Norfolk and Lincolnshire incurred an attributable loss on the revenue account of £605,000, against profits of £377,000, and an increased loss on capital account of £534m. compared with £50,000.

Sir Richard Thompson, the chairman, says the figures reflect exceptionally high interest rates and the decline in sterling and he foresees no improvement in the second half.

Members are told that the economic situation has further widened the gap between short term interest rates and rental yields.

BIDS AND DEALS. Lonrho takes 19% stake in Newman Inds. Lonrho, the international trading group, has acquired a 19.5 per cent stake at a price of 30p per share.

Imperial Knife Accepts Richards Offer. Imperial Knife has broken the resistance of the Board of Richards of Sheffield to its increased 30p a share offer by including an interim dividend of 0.55p (1p gross) and offering 50p a share for every Preference share.

Bespoke Drops Walker Offer. Bespoke Securities' subsidiary, Berrybest, has withdrawn its £540,000 offer for C. and W. Walker, the specialist engineering group.

Guinness for Kimpher. Arthur Guinness, through its subsidiary, Messons and Jones, to win control of the Albert Fisher Group.

Hanson's 50p for Whitecroft Preference. Shareholders in Whitecroft, the Manchester-based textile concern, are to vote on a 50p offer for preference shares.

Booker Kinloch. The Booker-McConnell offer for Kinloch (Provisional Merchants) has been accepted by shareholders.

Nash Sells A. Fisher Stake. J. F. Nash has sold its entire 26 per cent holding in the Albright Fisher Group for £204,058 in cash.

UNIT TRUSTS. Schlesinger 'PIMS' services offered. This week Schlesinger is offering its Personal Investment Management Service (PIMS) in conjunction with four different funds.

PROPERTY GROWTH MONEY. Property Growth Money advertisement. Property Growth Money advertisement with a list of property investments.

HILL SAMUEL PENSION. Hill Samuel Life Assurance is drawing the attention of the self-employed to their new Pension Plan.

IMPERIAL KNIFE ACCEPTS RICHARDS OFFER. Imperial Knife has broken the resistance of the Board of Richards of Sheffield to its increased 30p a share offer.

THE FINALIS HOTEL DEAL WITH J. LYONS. Trust Houses Forte announces that it has agreed to acquire the Hotel Lyons in London.

GUINNESS FOR KIMPHER. Arthur Guinness, through its subsidiary, Messons and Jones, to win control of the Albert Fisher Group.

MORAN TEA PURCHASE. Moran Tea Holdings and Litchfield and Soudry announce that they have agreed to purchase all the shares in Moran Tea.

HANSON'S 50P FOR WHITECROFT PREFERENCE. Shareholders in Whitecroft, the Manchester-based textile concern, are to vote on a 50p offer for preference shares.

BOOKER-KINLOCH. The Booker-McConnell offer for Kinloch (Provisional Merchants) has been accepted by shareholders.

NASH SELLS A. FISHER STAKE. J. F. Nash has sold its entire 26 per cent holding in the Albright Fisher Group for £204,058 in cash.

Schlesinger 'PIMS' services offered

This week Schlesinger is offering its Personal Investment Management Service (PIMS) in conjunction with four different funds.

PROPERTY GROWTH MONEY. Property Growth Money advertisement. Property Growth Money advertisement with a list of property investments.

HILL SAMUEL PENSION. Hill Samuel Life Assurance is drawing the attention of the self-employed to their new Pension Plan.

IMPERIAL KNIFE ACCEPTS RICHARDS OFFER. Imperial Knife has broken the resistance of the Board of Richards of Sheffield to its increased 30p a share offer.

THE FINALIS HOTEL DEAL WITH J. LYONS. Trust Houses Forte announces that it has agreed to acquire the Hotel Lyons in London.

GUINNESS FOR KIMPHER. Arthur Guinness, through its subsidiary, Messons and Jones, to win control of the Albert Fisher Group.

MORAN TEA PURCHASE. Moran Tea Holdings and Litchfield and Soudry announce that they have agreed to purchase all the shares in Moran Tea.

HANSON'S 50P FOR WHITECROFT PREFERENCE. Shareholders in Whitecroft, the Manchester-based textile concern, are to vote on a 50p offer for preference shares.

BOOKER-KINLOCH. The Booker-McConnell offer for Kinloch (Provisional Merchants) has been accepted by shareholders.

NASH SELLS A. FISHER STAKE. J. F. Nash has sold its entire 26 per cent holding in the Albright Fisher Group for £204,058 in cash.

Spencer Clark profit more than halved

The group's June 1976 issue brought the forecast down below the 10 per cent mark but this has since been achieved.

Spencer Clark Profit more than halved. The group's June 1976 issue brought the forecast down below the 10 per cent mark but this has since been achieved.

Spencer Clark Profit more than halved. The group's June 1976 issue brought the forecast down below the 10 per cent mark but this has since been achieved.

Spencer Clark Profit more than halved. The group's June 1976 issue brought the forecast down below the 10 per cent mark but this has since been achieved.

Spencer Clark Profit more than halved. The group's June 1976 issue brought the forecast down below the 10 per cent mark but this has since been achieved.

Spencer Clark Profit more than halved. The group's June 1976 issue brought the forecast down below the 10 per cent mark but this has since been achieved.

Spencer Clark Profit more than halved. The group's June 1976 issue brought the forecast down below the 10 per cent mark but this has since been achieved.

Spencer Clark Profit more than halved. The group's June 1976 issue brought the forecast down below the 10 per cent mark but this has since been achieved.

Spencer Clark Profit more than halved. The group's June 1976 issue brought the forecast down below the 10 per cent mark but this has since been achieved.

WALL STREET + OVERSEAS MARKETS + C. OVERSEAS SHARE INFORMATION

Mixed in nervous trading

BY OUR WALL STREET CORRESPONDENT

A MIXED TREND prevailed on Wall Street to-day, following nervousness over a sharp jump in the U.S. money supply.

FRIDAY'S ACTIVE STOCKS

Table with columns for Stock Name, Change, and Price. Includes Inmont, Occidental Petroleum, Texas International, etc.

OTHER MARKETS

Canada up again
Rising Oil and Gas share prices continued to buoy Canadian Stock Market in moderate trading yesterday.

INDICES

Table of stock indices for New York, Toronto, and other markets. Columns include Index Name, Date, High, Low, and Change.

NEW YORK

Table of stock prices for New York market. Columns include Stock Name, Price, and Change.

OTHER MARKETS

Table of stock prices for other markets including London, Amsterdam, and Zurich.

OVERSEAS SHARE INFORMATION

Large table of overseas share information with columns for Market, Stock Name, Price, and Change. Includes sections for Germany, Milan, Australia, Brussels, etc.

F.T. CROSSWORD PUZZLE No. 3280. Includes puzzle grid and clues.

RACING BY DOMINIC WIGAN. Early Spring set to win at Ascot. Article discussing horse racing events.

SOLUTION TO PUZZLE No. 3279. Lists winners of the puzzle and provides the solution.

SOLUTION TO PUZZLE No. 3274. Lists winners of the puzzle and provides the solution.

Continuation of the OVERSEAS SHARE INFORMATION table, listing various international stocks and their prices.

HOME NEWS

Forklift truck orders up over past two months

BY KENNETH GOODING, INDUSTRIAL CORRESPONDENT
THERE HAS BEEN a significant improvement in orders for industrial forklift trucks in the past two months, providing further evidence that U.K. manufacturing activity is picking up...

South Yorkshire grant cut off in bus fares subsidy row

BY IAN HARGREAVES, INDUSTRIAL STAFF
SOUTH YORKSHIRE County Council has, as expected, had its share of the Government's Transport Supplementary Grant cut off for the year 1977-78 because of its refusal to reduce the level of fares subsidy on its buses...

Shore to launch urban renewal programme

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT
PROPOSALS for a comprehensive urban renewal programme for the south coast will be unveiled by the Government in the spring...

The First Viking Commodity Trusts
Commodity OFFER 38.7 Trust BID 36.8
Double OFFER 100.0 Option Trust BID 95.0

BP spends £15m. on chlorine production

BY RAY DAFTER
BP CHEMICALS International will spend £15m. on modernising chlorine production as part of a £300m. investment programme now in hand...

STRONG DEMAND FROM OVERSEAS BUYERS AT BOAT SHOW

Buooyancy, but no boom

BY STUART ALEXANDER
SALES OF boats and equipment have improved strongly at the twenty-third Earls Court Boat Show, which closes tomorrow evening...

The Royal Court looks forward in bitterness

BY IAN HARGREAVES
STAFF AT the Royal Court Theatre, London, believe the theatre will close this year unless the Arts Council backs down on its refusal to increase grant aid...

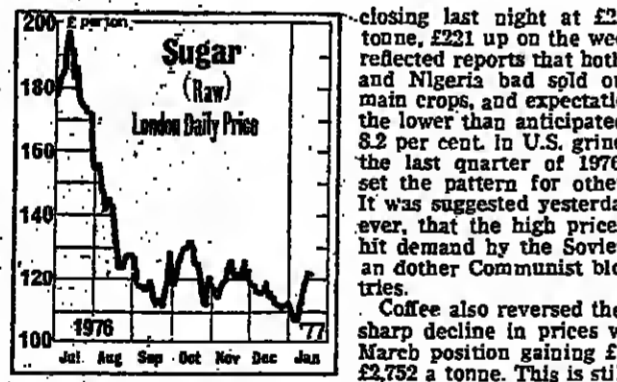
Appeals Court cuts fines of £930,000 to £63,000

A CITY businessman and his two companies, who were fined £930,000 last July in an exchange control case, had the fines reduced by the City of London Appeals Court yesterday to a total of £63,000...

COMMODITIES/Review of the week

Cocoa, lead and tin at new peaks

BY OUR COMMODITIES STAFF
THE FIRST full week of trading in 1977 on the London commodity markets saw an exciting time. Cocoa, lead and tin prices all reached new all-time peaks...



MARKET REPORTS

BASE METALS
Y.M. REPORT levels were attained for cash and forward standard metal reference prices...

SILVER
Silver was fixed 115p an ounce for spot delivery in the London market...

COCAO
Once again early long liquidations were well absorbed by consumer demand...

SOYABEAN MEAL
The market opened in a low level in line with the weakness in Chicago...

COFFEE
Futures closed steady, 67 to 91 per tonne up on Thursday...

SUGAR
LONDON DAILY PRICE (raw sugar) 121.00 (122.00) a tonne of Jan. Feb. shipment...

GRAINS
THE BALTYC-rokers reported a steady trade in ECC wheat for L.R. East Coast ports...

JUTE
DUNEE-1400. Prices a bit up on Jan. Feb. shipment. BWC 284. U.S. 250.

RUBBER
Steadier opening to the London physical market. Fair interest throughout the day...

WOOL FUTURES
LONDON: The market was unchanged to slightly down on the previous day...

PALM OIL
ALFONSO: PALM OIL MARKET - After a period of firmness, the market opened on the physical side...

COTTON-LIVERPOOL
Spinn and shipment rates amounted to 37 tonnes, bringing the total to 1,000 tonnes...

COPRA-PHILIPPINES
COPRA-PHILIPPINES (per 100 lbs) Jan and Feb. 1977. 100 lbs. 100 lbs. 100 lbs.

GRIMSBY-FISH
GRIMSBY-FISH-Supply over and demand steady. Price per cwt 100 lbs...

FINANCIAL TIMES
Jan 14 Jan 15 Jan 16 Jan 17 Jan 18 Jan 19 Jan 20 Jan 21 Jan 22 Jan 23 Jan 24 Jan 25 Jan 26 Jan 27 Jan 28 Jan 29 Jan 30 Jan 31

REUTERS
Jan 14 Jan 15 Jan 16 Jan 17 Jan 18 Jan 19 Jan 20 Jan 21 Jan 22 Jan 23 Jan 24 Jan 25 Jan 26 Jan 27 Jan 28 Jan 29 Jan 30 Jan 31

DOW JONES
Jan 14 Jan 15 Jan 16 Jan 17 Jan 18 Jan 19 Jan 20 Jan 21 Jan 22 Jan 23 Jan 24 Jan 25 Jan 26 Jan 27 Jan 28 Jan 29 Jan 30 Jan 31

MEAT/VEGETABLES
SMITHFIELD-No carcass meat price quoted. MEAT COMMISSION-Average fatstock price for 24th January...

WEEKLY PRICE CHANGES

Table with columns for Commodity, Latest price, Change, 1976/77 High/Low, and 1977/78 High/Low. Includes categories like Metals, Grains, Oils, and other commodities.

MARKET REPORTS

Table with columns for Commodity, Official, and Unofficial prices. Includes categories like High Grade, Standard, and various metal types.

COMMODITIES/Review of the week

Sugar and cocoa rise: coffee firm

NEW YORK, Jan. 14. TRADING BUYING outpaced local selling and the sugar market closed higher. Silver added lower, however, with local dealers on both sides...

WEEKLY PRICE CHANGES

Table with columns for Commodity, Latest price, Change, 1976/77 High/Low, and 1977/78 High/Low. Includes categories like Metals, Grains, Oils, and other commodities.

OVERSEAS NEWS

Suarez promotes liberal general

BY ROGER MATTHEWS MADRID, Jan. 14.

THE EXPECTED reshuffle in the Spanish cabinet... Suarez promotes liberal general... The Government has also decided to change some of the sections of the Public Order Law...

to this end Lieutenant-General Vega Rodriguez... The Government has also decided to change some of the sections of the Public Order Law...

French move to heal rift with Israel

PARIS, Jan. 14.

FRANCE is trying to ease relations with Israel... The French Prime Minister M. Raymond Barre has said in an interview...

INTERNATIONAL COMPANY NEWS

Record IBM profit for fourth quarter

BY STEWART FLEMING NEW YORK, Jan. 14.

WITH A RECORD fourth-quarter profit, International Business Machines, the world's biggest computer company... IBM's fourth-quarter earnings increased from \$588.6m. to \$673.9m...

Merrill Lynch makes deal on portfolio management

BY HENRY SCOTT-STOKES PARIS, Jan. 14.

THE CREATION of Paluel-Marmont Merrill Lynch, a portfolio management company... Merrill Lynch has participated in an organisation overseas using its own name, which is not at the same time fully under the American company's control...

Cavenham consider offer

BY JAY PALMER NEW YORK, Jan. 14.

GAVENHAM, the international food group headed by Sir James Goldsmith, today announced that it is "considering" making an offer to buy out the 18 per cent minority shareholding of Grand Union, America's ninth largest grocery chain... The terms indicated are \$20 nominal value plus 11 per cent of the net assets...

BRITISH FUNDS (L385)

Table listing various British funds with columns for fund name, value, and percentage change.

This week's SE dealings

Friday, January 14 6,395 Wednesday, January 12 6,175 Monday, January 10 6,145

The following records all yesterday's markets and also the latest markets of any new or old stock in the market.

Main table of stock market dealings with columns for stock name, price, and volume.

Continuation of stock market dealings table, listing various international and domestic stocks.

INTERNATIONAL BANKING

FREE OF STAMP DUTY

Table listing international banking services and their terms.

FREE OF STAMP DUTY

Table listing international banking services and their terms.

FREE OF STAMP DUTY

Table listing international banking services and their terms.

FREE OF STAMP DUTY

Table listing international banking services and their terms.

FREE OF STAMP DUTY

Table listing international banking services and their terms.

FREE OF STAMP DUTY

Have a happy TAX FREE New Year. The Drummond Assurance Society is able to offer the family man or woman a new highly invested savings plan...

The Financial Times Saturday January 15 1977

Table of stock prices and market data, including sections for 'NEW HIGHS AND LOWS FOR 1976/77', 'RISES AND FALLS', and 'ACTIVE STOCKS YESTERDAY'.

Table of stock prices and market data, including sections for 'NEW HIGHS AND LOWS FOR 1976/77', 'RISES AND FALLS', and 'ACTIVE STOCKS YESTERDAY'.

Table of stock prices and market data, including sections for 'NEW HIGHS AND LOWS FOR 1976/77', 'RISES AND FALLS', and 'ACTIVE STOCKS YESTERDAY'.

Table of stock prices and market data, including sections for 'NEW HIGHS AND LOWS FOR 1976/77', 'RISES AND FALLS', and 'ACTIVE STOCKS YESTERDAY'.

Table of stock prices and market data, including sections for 'NEW HIGHS AND LOWS FOR 1976/77', 'RISES AND FALLS', and 'ACTIVE STOCKS YESTERDAY'.

Table of stock prices and market data, including sections for 'NEW HIGHS AND LOWS FOR 1976/77', 'RISES AND FALLS', and 'ACTIVE STOCKS YESTERDAY'.

Table of stock prices and market data, including sections for 'NEW HIGHS AND LOWS FOR 1976/77', 'RISES AND FALLS', and 'ACTIVE STOCKS YESTERDAY'.

Table of stock prices and market data, including sections for 'NEW HIGHS AND LOWS FOR 1976/77', 'RISES AND FALLS', and 'ACTIVE STOCKS YESTERDAY'.

Table of stock prices and market data, including sections for 'NEW HIGHS AND LOWS FOR 1976/77', 'RISES AND FALLS', and 'ACTIVE STOCKS YESTERDAY'.

Table of stock prices and market data, including sections for 'NEW HIGHS AND LOWS FOR 1976/77', 'RISES AND FALLS', and 'ACTIVE STOCKS YESTERDAY'.

Table of stock prices and market data, including sections for 'NEW HIGHS AND LOWS FOR 1976/77', 'RISES AND FALLS', and 'ACTIVE STOCKS YESTERDAY'.

BUILDING SOCIETY RATES table with columns for Society Name, Deposit Rate, Share Rate, and Sub/Share Rates.

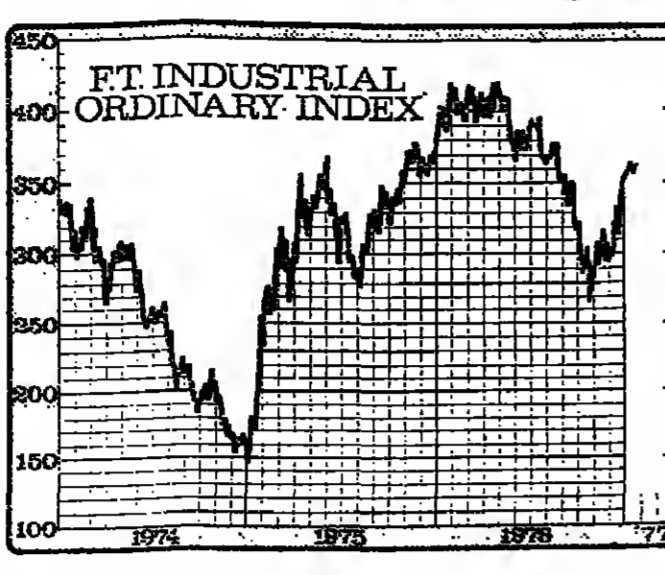
U.K. CONVERTIBLE STOCKS 14/77 table with columns for Name and description, Size, Current price, Conversion date, and Yield.

LOCAL AUTHORITY BOND TABLE with columns for Authority, Annual interest, and Maturity.

STOCK EXCHANGE REPORT

Gilts active but equities quiet and little altered Index up 0.6 at 363.9 for a gain of 9.2 on the Account

Account Dealing Dates
*First Declared Last Account
Dealing Dates Last Account
Jan. 4 Jan. 13 Jan. 14 Jan. 23
Jan. 7 Jan. 27 Jan. 28 Feb. 8
Jan. 11 Feb. 11 Feb. 11 Feb. 22
Jan. 31 Feb. 10 Feb. 11 Feb. 22



balance at 210p. Farnell Electronic...
Stores fluctuated narrowly in...
Investment advice encouraged...
Higher than last week's...
Market closed at 363.9...
FT Industrial Ordinary Index...
1974 1975 1976 1977

Cawoods were good for a rise of...
best in places with Hammerson...
Secondary issues stole the lime-...
Trusts and Financials displayed...
North Sea-oriented...
Oils irregular...
Good week for Tins...
Mining share markets were...
FT-Actuaries Share Indices...
We are reproducing in next...

FINANCIAL TIMES STOCK INDICES
Table with columns for various indices: Government Stock, Fixed Interest, Industrial Ordinary, etc. Includes dates from Jan 14 to Jan 15.

HIGHS AND LOWS
Table with columns for High, Low, and S.E. ACTIVITY for various market sectors.

Another active day's trading in...
announcement at 3.30p...
Treasury 12 1/2 per cent...
80, kept this sector well in...
the forefront of proceedings in stock...
markets yesterday. Low-dated...
stocks moved erratically and...
official circuit quotations showing...
losses ranging to 1 and some...
times more were extended in 2...
to the late trade. In contrast, the...
shorts ended the day with rises...
extending to a point in the...
absence of a new 10c issue. The...
Government Securities Index rose...
to 164.94 for a rise of 1.57...
net week.

With business in the equity...
leaders confined mainly to...
Account book quarterly, prices...
fluctuated within fairly narrow...
limits before closing. The...
contender small gains in balance...
The FT 20-share index hardened...
to 363.9 for a loss of 1.4 on...
the week but a rise of 0.2 over...
the accounts.

Food closed on a quietly firm...
note. J. Lyons edged up 2 to 54p...
on the completion of the hotels...
deal with Trust Houses Forte...
while similar gains were seen in...
B. Matthews, 59p, and Tate and...
Lyle, 28 1/2p. Spillers were active...
and a penny better at 30p...
Against the trend, Cavendish...
shed 2 to 88p for a loss on the...
week of 8; the company...
announced yesterday that its U.S. ...
subsidiary is considering a...
deal with the Cranston Hotel...
Company. In Supermarkets, ...
Galeway Securities "A" a penny...
easier at 45p, closed with a rise...
on the week of 10; on the...
announcement that the company...
is investing in bid links.
Walker closed without alteration...
at 31p following the interim...
results in quiet Hotels and...
Caterers.

Trusts and Financials displayed...
North Sea-oriented...
Oils irregular...
Good week for Tins...
Mining share markets were...
FT-Actuaries Share Indices...
We are reproducing in next...

Largest-ever tap
The surprise of the largest tap...
issue ever made and the fact that...
it was a loan and not the expected...
share-dated stock was the...
dominant feature in gilt-edged...
yesterday. Before the announcement...
the market was featured by...
the debut of the over-...
subscribed £800m. Exchequer 12 1/2...
per cent, 1981, which traded...
actively at rates either side of 1 1/2...
premium on the issue price of...
98 1/2. Remaining shorts were also...
higher but the longs eventually...
with profit-taking and lost...
early gains of 1 to show losses...
of that amount by 3.30p. Following...
the usual respite in trading...

Banks dip late
A firm market on Thursday...
following the Bank of England's...
decision to reduce its special...
deposit requirement, home Banks...
continued to make headway in the...
early dealing yesterday. How-...
ever, the late announcement of a...
record new long "tap" prompted...
a reaction and early improve-...
ments were generally lost. Midland...
held on to an improvement of 3...
at 27 1/2p, after 28p, but Lloyds...
shed 1 to 22 1/2p, after 22 1/2p, while...

Cawoods better
The miscellaneous Industrial...
market ended the account on a...
quietly mixed note, the...
trading left Bowater 3 lower at 18 1/2p...
and Unilever 6 down at 42p, while...
Glaxo shed 2 to 40 1/2p. Rank...
Organisation closed only a penny...
cheaper at 13 1/2p, the result of...
a decision to hold a...
meeting next Wednesday. Metal Box...
on the other hand, found support...
and rose 9 to 25 1/2p, while Scottish...
and Universal Investments re-...
turned to prominence with a rise...
of 1 1/2p to 8 1/2p, but Lloyds...
profit-taking to close 2 cheaper on...

FT-ACTUARIES SHARE INDICES
These indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

F.T. - ACTUARIES SHARE INDICES

Table of F.T. - ACTUARIES SHARE INDICES. Columns include Group Name, Index, and various financial metrics. Includes sections for EQUITY GROUPS, GROUPS & SUB-SECTIONS, and FIXED INTEREST.

NO CHANGE IN MLR

Bank of England Minimum...
The Treasury bill rate fell...
at yesterday's tender. As...
a result, the Bank of England...
decided to leave the MLR...
unchanged at 14 per cent. This...
was in line with signals given...
by the Bank all week expressing...
its desire not to see a fall of...
the minimum...
level about 13 per cent. were...
allotted. The £300m. bills...
record high of 23.31-39m...
completing a series of...
regular number of bills...
the confusion with the over-...
week. All bills tendered were...
allotted. Next week another...
£300m. will be on offer, replacing...
maturities of £500m.

BASE LENDING RATES

- A.B.N. Bank
Allied Irish Banks Ltd
American Express Bank
Anglo-Bombay Bank
Anglo-Portuguese Bank
Bank of America
Bank of Canada
Bank of China

FOREIGN EXCHANGES

Table of FOREIGN EXCHANGES showing rates for various currencies like New York, London, etc.

INSURANCE RATES

- Property Growth
Common Insurance
Address shown under Insurance
Property Book table

GOLD MARKET

Gold Bullion
A fine ounce...
London...
New York...
Gold coins...

EXCHANGES AND BULLION

The usual slackening in...
The US dollar retained its...
strengthening position again...
weekend appeared more...
extended in yesterday's foreign...
exchange market. Sterling traded...
very quietly all day opening at...
\$1.770-1.7210 and casting slightly...
during the afternoon with New...
York closing at 1.7710. The...
depreciation of the dollar...
relative to the pound was...
1.7095-1.7105. The pound closed...
at \$1.7070-1.7115, a loss of 5 points...
on the day.

EURO-CURRENCY INTEREST RATES

Table of EURO-CURRENCY INTEREST RATES for various banks and currencies.

AUTHORISED UNIT TRUSTS

Handwritten signature or stamp at the top center of the page.

STOCK INDICES

Table of stock indices including Abbey Unit Trst. Mgrs. Ltd., Bridge Fund Managers, Discretionary Unit Fund Managers, and others.

Table of unit trusts including Hill Samuel Unit Trst. Mgrs. Ltd., M & G Group, NTL Trust Managers, and others.

Table of unit trusts including Saxe & Prosser Group, Target Unit Mgrs., and others.

Table of unit trusts including Target Unit Mgrs., Saxe & Prosser Group, and others.

S.E. ACTIVITY

BASE LENDING RATES

Table of regional markets including Abbey Life Assurance Co. Ltd., City of Westminster Assur. Soc., and others.

Table of regional markets including Hambro Life Assurance Limited, Lloyds Life Assurance, and others.

Table of regional markets including NPL Pension Management Ltd., Norwich Union Insurance Group, and others.

Table of regional markets including Prop. Equity & Life Ass. Co., Sun Alliance Fund Mgmt. Ltd., and others.

Advertisement for LAWSON HIGH YIELD FUND, featuring a large '13%' graphic and text about quarterly payments and growth potential.

Advertisement for OFFSHORE AND OVERSEAS FUNDS, listing various international investment options.

Advertisement for TSP Unit Trust Managers (C.I.) Ltd., detailing various unit trust products.

Advertisement for BANK OF AMERICA, including contact information and a note about the world value of the dollar.

Advertisement for WORLD VALUE OF THE DOLLAR, discussing the impact of exchange rates on investment returns.

Advertisement for S. G. Warburg & Co. Ltd., listing various financial services and products.

Advertisement for BANK OF AMERICA, featuring a large graphic and text about the world value of the dollar and international services.

PIMS
The Personal Investment Management Service
specifically designed for the larger investor.
exclusive to
SCHLESINGERS
01-409 3100

FT SHARE INFORMATION SERVICE

HOTELS - Continued

High	Low	Stock	Price	Dr	Cr	YTD	1976
88	75	Avon Hotels	15	+	1.5	13.5	100
85	70	Avon Inns	15	+	1.5	13.5	100
82	68	Avon Inns	15	+	1.5	13.5	100
80	65	Avon Inns	15	+	1.5	13.5	100
78	63	Avon Inns	15	+	1.5	13.5	100
76	61	Avon Inns	15	+	1.5	13.5	100
74	59	Avon Inns	15	+	1.5	13.5	100
72	57	Avon Inns	15	+	1.5	13.5	100
70	55	Avon Inns	15	+	1.5	13.5	100
68	53	Avon Inns	15	+	1.5	13.5	100
66	51	Avon Inns	15	+	1.5	13.5	100
64	49	Avon Inns	15	+	1.5	13.5	100
62	47	Avon Inns	15	+	1.5	13.5	100
60	45	Avon Inns	15	+	1.5	13.5	100
58	43	Avon Inns	15	+	1.5	13.5	100
56	41	Avon Inns	15	+	1.5	13.5	100
54	39	Avon Inns	15	+	1.5	13.5	100
52	37	Avon Inns	15	+	1.5	13.5	100
50	35	Avon Inns	15	+	1.5	13.5	100
48	33	Avon Inns	15	+	1.5	13.5	100
46	31	Avon Inns	15	+	1.5	13.5	100
44	29	Avon Inns	15	+	1.5	13.5	100
42	27	Avon Inns	15	+	1.5	13.5	100
40	25	Avon Inns	15	+	1.5	13.5	100
38	23	Avon Inns	15	+	1.5	13.5	100
36	21	Avon Inns	15	+	1.5	13.5	100
34	19	Avon Inns	15	+	1.5	13.5	100
32	17	Avon Inns	15	+	1.5	13.5	100
30	15	Avon Inns	15	+	1.5	13.5	100
28	13	Avon Inns	15	+	1.5	13.5	100
26	11	Avon Inns	15	+	1.5	13.5	100
24	9	Avon Inns	15	+	1.5	13.5	100
22	7	Avon Inns	15	+	1.5	13.5	100
20	5	Avon Inns	15	+	1.5	13.5	100
18	3	Avon Inns	15	+	1.5	13.5	100
16	1	Avon Inns	15	+	1.5	13.5	100

BRITISH FUNDS

"Shorts" (lives up to Five Years)

High	Low	Stock	Price	Dr	Cr	YTD	1976
98.1	95.2	British Govt	100	+	2.8	97.4	100
97.8	94.9	British Govt	100	+	2.8	97.4	100
97.5	94.6	British Govt	100	+	2.8	97.4	100
97.2	94.3	British Govt	100	+	2.8	97.4	100
96.9	94.0	British Govt	100	+	2.8	97.4	100
96.6	93.7	British Govt	100	+	2.8	97.4	100
96.3	93.4	British Govt	100	+	2.8	97.4	100
96.0	93.1	British Govt	100	+	2.8	97.4	100
95.7	92.8	British Govt	100	+	2.8	97.4	100
95.4	92.5	British Govt	100	+	2.8	97.4	100
95.1	92.2	British Govt	100	+	2.8	97.4	100
94.8	91.9	British Govt	100	+	2.8	97.4	100
94.5	91.6	British Govt	100	+	2.8	97.4	100
94.2	91.3	British Govt	100	+	2.8	97.4	100
93.9	91.0	British Govt	100	+	2.8	97.4	100
93.6	90.7	British Govt	100	+	2.8	97.4	100
93.3	90.4	British Govt	100	+	2.8	97.4	100
93.0	90.1	British Govt	100	+	2.8	97.4	100
92.7	89.8	British Govt	100	+	2.8	97.4	100
92.4	89.5	British Govt	100	+	2.8	97.4	100
92.1	89.2	British Govt	100	+	2.8	97.4	100
91.8	88.9	British Govt	100	+	2.8	97.4	100
91.5	88.6	British Govt	100	+	2.8	97.4	100
91.2	88.3	British Govt	100	+	2.8	97.4	100
90.9	88.0	British Govt	100	+	2.8	97.4	100
90.6	87.7	British Govt	100	+	2.8	97.4	100
90.3	87.4	British Govt	100	+	2.8	97.4	100
90.0	87.1	British Govt	100	+	2.8	97.4	100
89.7	86.8	British Govt	100	+	2.8	97.4	100
89.4	86.5	British Govt	100	+	2.8	97.4	100
89.1	86.2	British Govt	100	+	2.8	97.4	100
88.8	85.9	British Govt	100	+	2.8	97.4	100
88.5	85.6	British Govt	100	+	2.8	97.4	100
88.2	85.3	British Govt	100	+	2.8	97.4	100
87.9	85.0	British Govt	100	+	2.8	97.4	100
87.6	84.7	British Govt	100	+	2.8	97.4	100
87.3	84.4	British Govt	100	+	2.8	97.4	100
87.0	84.1	British Govt	100	+	2.8	97.4	100
86.7	83.8	British Govt	100	+	2.8	97.4	100
86.4	83.5	British Govt	100	+	2.8	97.4	100
86.1	83.2	British Govt	100	+	2.8	97.4	100
85.8	82.9	British Govt	100	+	2.8	97.4	100
85.5	82.6	British Govt	100	+	2.8	97.4	100
85.2	82.3	British Govt	100	+	2.8	97.4	100
84.9	82.0	British Govt	100	+	2.8	97.4	100
84.6	81.7	British Govt	100	+	2.8	97.4	100
84.3	81.4	British Govt	100	+	2.8	97.4	100
84.0	81.1	British Govt	100	+	2.8	97.4	100
83.7	80.8	British Govt	100	+	2.8	97.4	100
83.4	80.5	British Govt	100	+	2.8	97.4	100
83.1	80.2	British Govt	100	+	2.8	97.4	100
82.8	79.9	British Govt	100	+	2.8	97.4	100
82.5	79.6	British Govt	100	+	2.8	97.4	100
82.2	79.3	British Govt	100	+	2.8	97.4	100
81.9	79.0	British Govt	100	+	2.8	97.4	100
81.6	78.7	British Govt	100	+	2.8	97.4	100
81.3	78.4	British Govt	100	+	2.8	97.4	100
81.0	78.1	British Govt	100	+	2.8	97.4	100
80.7	77.8	British Govt	100	+	2.8	97.4	100
80.4	77.5	British Govt	100	+	2.8	97.4	100
80.1	77.2	British Govt	100	+	2.8	97.4	100
79.8	76.9	British Govt	100	+	2.8	97.4	100
79.5	76.6	British Govt	100	+	2.8	97.4	100
79.2	76.3	British Govt	100	+	2.8	97.4	100
78.9	76.0	British Govt	100	+	2.8	97.4	100
78.6	75.7	British Govt	100	+	2.8	97.4	100
78.3	75.4	British Govt	100	+	2.8	97.4	100
78.0	75.1	British Govt	100	+	2.8	97.4	100
77.7	74.8	British Govt	100	+	2.8	97.4	100
77.4	74.5	British Govt	100	+	2.8	97.4	100
77.1	74.2	British Govt	100	+	2.8	97.4	100
76.8	73.9	British Govt	100	+	2.8	97.4	100
76.5	73.6	British Govt	100	+	2.8	97.4	100
76.2	73.3	British Govt	100	+	2.8	97.4	100
75.9	73.0	British Govt	100	+	2.8	97.4	100
75.6	72.7	British Govt	100	+	2.8	97.4	100
75.3	72.4	British Govt	100	+	2.8	97.4	100
75.0	72.1	British Govt	100	+	2.8	97.4	100
74.7	71.8	British Govt	100	+	2.8	97.4	100
74.4	71.5	British Govt	100	+	2.8	97.4	100
74.1	71.2	British Govt	100	+	2.8	97.4	100
73.8	70.9	British Govt	100	+	2.8	97.4	100
73.5	70.6	British Govt	100	+	2.8	97.4	100
73.2	70.3	British Govt	100	+	2.8	97.4	100
72.9	70.0	British Govt	100	+	2.8	97.4	100
72.6	69.7	British Govt	100	+	2.8	97.4	100
72.3	69.4	British Govt	100	+	2.8	97.4	100
72.0	69.1	British Govt	100	+	2.8	97.4	100
71.7	68.8	British Govt	100	+	2.8	97.4	100
71.4	68.5	British Govt	100	+	2.8	97.4	100
71.1	68.2	British Govt	100	+	2.8	97.4	100
70.8	67.9	British Govt	100	+	2.8	97.4	100
70.5	67.6	British Govt	100	+	2.8	97.4	100
70.2	67.3	British Govt	100	+	2.8	97.4	100
69.9	67.0	British Govt	100	+	2.8	97.4	100
69.6	66.7	British Govt	100	+	2.8	97.4	100
69.3	66.4	British Govt	100	+	2.8	97.4	100
69.0	66.1	British Govt	100	+	2.8	97.4	100
68.7	65.8	British Govt	100	+	2.8	97.4	100
68.4	65.5	British Govt	100	+	2.8	97.4	100
68.1	65.2	British Govt	100	+	2.8	97.4	100
67.8	64.9	British Govt	100	+	2.8	97.4	100
67.5	64.6	British Govt	100	+	2.8	97.4	100
67.2	64.3	British Govt	100	+	2.8	97.4	100
66.9	64.0	British Govt	100	+	2.8	97.4	100
66.6	63.7	British Govt	100	+	2.8	97.4	100
66.3	63.4	British Govt	100	+	2.8	97.4	100
66.0	63.1	British Govt	100	+	2.8	97.4	100
65.7	62.8	British Govt	100	+	2.8	97.4	100
65.4	62.5	British Govt	100	+	2.8	97.4	100
65.1	62.2	British Govt	100	+	2.8	97.4	100
64.8	61.9	British Govt	100	+	2.8	97.4	100
64.5	61.6	British Govt	100	+	2.8	97.4	100
64.2	61.3	British Govt	100	+	2.8	97.4	100
63.9	61.0	British Govt	100	+	2.8	97.4	100
63.6	60.7	British Govt	100	+	2.8	97.4	100
63.3	60.4	British Govt	100</				

INDUSTRIALS—Continued

Table of industrial stocks including companies like British Airways, British Petroleum, and various engineering firms. Columns include stock name, price, and other financial metrics.

INSURANCE

Table of insurance companies such as British Overseas Airways, British Petroleum, and various engineering firms. Columns include stock name, price, and other financial metrics.

PROPERTY—Continued

Table of property-related stocks and companies. Columns include stock name, price, and other financial metrics.

TRUSTS—Continued

Table of trust-related stocks and companies. Columns include stock name, price, and other financial metrics.

TRUSTS—Continued

Table of trust-related stocks and companies. Columns include stock name, price, and other financial metrics.

TRUSTS—Continued

Table of trust-related stocks and companies. Columns include stock name, price, and other financial metrics.

TRUSTS—Continued

Table of trust-related stocks and companies. Columns include stock name, price, and other financial metrics.

Advertisement for SUMITOMO HEAVY INDUSTRIES LTD. with text: 'For ocean development, systems engineering, and environment protection.'

Table titled 'FINANCE, LEAD, ETC.' containing various financial data points and company names.

Table titled 'GENERAL AFRICAN' containing financial data for various African-related companies.

Table titled 'AUSTRALIAN' containing financial data for various Australian-related companies.

Table titled 'COPPER' containing financial data for various copper-related companies.

Table titled 'RUBBERS AND SISALS' containing financial data for various rubber and sisal companies.

Table titled 'MISCELLANEOUS' containing various financial data points.

Table titled 'INDIA AND BANGLADESH' containing financial data for companies in these regions.

Table titled 'SRI LANKA' containing financial data for companies in Sri Lanka.

Table titled 'AFRICA' containing financial data for various African companies.

MOTORS, AIRCRAFT TRADES

Table listing motor and aircraft trade companies and their stock prices.

Commercial Vehicles

Table listing commercial vehicle companies and their stock prices.

Components

Table listing component companies and their stock prices.

Garages and Distributors

Table listing garage and distributor companies and their stock prices.

NEWSPAPERS, PUBLISHERS

Table listing newspaper and publisher companies and their stock prices.

PAPER, PRINTING, ADVERTISING

Table listing paper, printing, and advertising companies and their stock prices.

PROPERTY

Table listing property-related companies and their stock prices.

SHIPBUILDERS, REPAIRERS

Table listing shipbuilders and repairers companies and their stock prices.

SHIPPING

Table listing shipping companies and their stock prices.

SHOES AND LEATHER

Table listing shoes and leather companies and their stock prices.

SOUTH AFRICANS

Table listing South African companies and their stock prices.

TEXTILES

Table listing textile companies and their stock prices.

TOBACCO

Table listing tobacco companies and their stock prices.

TRUSTS, FINANCE, LAND

Table listing trusts, finance, and land-related companies and their stock prices.

TRUSTS, FINANCE, LAND

Table listing trusts, finance, and land-related companies and their stock prices.

FINANCE, LEAD, ETC.

Table containing various financial data points and company names.

GENERAL AFRICAN

Table containing financial data for various African-related companies.

AUSTRALIAN

Table containing financial data for various Australian-related companies.

COPPER

Table containing financial data for various copper-related companies.

RUBBERS AND SISALS

Table containing financial data for various rubber and sisal companies.

MISCELLANEOUS

Table containing various financial data points.

INDIA AND BANGLADESH

Table containing financial data for companies in these regions.

SRI LANKA

Table containing financial data for companies in Sri Lanka.

AFRICA

Table containing financial data for various African companies.

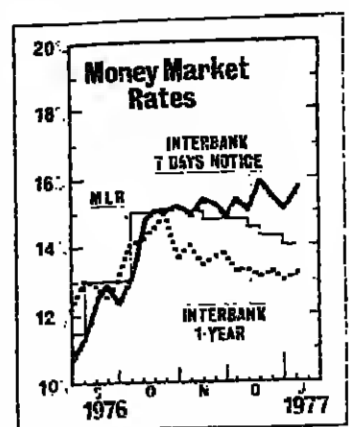
Notes and disclaimer text at the bottom right of the page, including 'This service is available to every company...' and 'Stock Exchange (Regulation) Act 1953...'.



THE LEX COLUMN

A memorable week for gilts

Index rose 0.6 to 363.9



The announcement of the largest-ever long tap stock... £1.1bn. of 13 1/2 per cent Treasury 1983...

on the assumption of a 10 cent per annum interest... £1.1bn. of 13 1/2 per cent Treasury 1983...

Industrial strategy attacked by unions

By Christian Tyler, Labour Staff

THE PRIME MINISTER is likely to hear complaints from the unions about the way the industrial strategy is being shaped when he takes the chair at the National Economic Development Council's pre-Budget review of the strategy next month.

The extent of union frustration at the lack of impetus being given to creating jobs in manufacturing emerged yesterday at a conference on the strategy, organised by the General and Municipal Workers Union.

Mr. Eric Varley, Industry Secretary, and Sir Donald McIntosh, director general of National Economic Development Council, heard complaints from union members on some of the 41 sector working parties.

It was said employers' views dominated the discussions and subsequent reports—especially their demand for a general easing of price controls—and companies in particular the multi-national firms to disclose their investment intentions.

Mr. Varley hinted in a speech to the conference that the Chancellor would give the strategy a financial boost in his Budget. There had already been a small rise in manufacturing employment in the first nine months of last year after a fall of 13 per cent in the previous ten years.

Both he and Sir Donald said in answer to the complaints that it would be a mistake to use statutory powers to force companies to disclose information. This could drive them away from the discussion altogether.

But both agreed that the National Economic Development Council's sector working parties, which are tripartite like the council itself, suffered from a "credibility gap" and that companies were slow to take action recommended by the working party reports.

The unions appear to face two main problems with this form of economic participation. By their own admission they cannot match the informational support, or devote the staff, which companies and civil servants can.

Secondly, they are finding themselves pulling their names to recedes for recovery in which TUC policies on employment, import controls, State aid and planning agreements get little attention.

Mr. David Bussett, the General and Municipal Workers' Union general secretary, was critical of the working party results so far. Describing the industrial strategy as an element in the move to greater industrial democracy, he called in particular for a union say in how funds for industry schemes should be deployed.

There was some encouragement for the union in another of its persistent demands—for selective import controls—when Sir Donald said in answer to a question that the electronics industry was a case where he would be happy to see a national survival strategy "buttressed by import restrictions."

There was no public anxiety about whether the City's financial institutions are functioning properly, the Law Society's Gazette said yesterday. It questioned the need for Sir Harold Wilson's committee to investigate the City.

The suggestion that the markets were falling in their duty to provide industry with the capital it needed "is one which carries credence only with the extreme political Left," it said.

Town hall staffs to ban overtime

BY DAVID CHURCHILL, LABOUR STAFF

A NATIONAL overtime ban is to be imposed by the 570,000-member National and Local Government Officers' Association in protest at the Government's cuts in public expenditure. At the same time, the members will refuse to carry out work related to new Government legislation.

Delegates at the union's special conference in London yesterday decided to take this action yesterday also vote near to committing NALGO to a policy of total opposition to a further round of Social Contract pay restraint.

This early challenge to the Social Contract came as a surprise yesterday as the union is traditionally moderate. It suggests that concern over unemployment and expenditure cuts at the grass roots of the union movement could lead to more militant unions completely rejecting the Social Contract at their own conferences later this year.

Yesterday's bid to approve any new pay policy was defeated by only 334,000 votes to 276,000 after Mr. Geoffrey Dray, the union's general secretary and a member of the TUC's economic committee, made a personal appeal to members not to limit him to a policy of opposition.

He promised to consult the NALGO membership again before any firm agreement was reached with the Government, and also made clear that he supported the calls for a special TUC conference in debate pay policy before summer.

A separate motion also instructed the union's 50,000 Scottish members to support a one-day strike against the cuts within the next few months. Previously, the members had been "urged" to support the strike.

The toughness of the line taken by yesterday's conference came as a shock to the union's national executive, which had refused to endorse any of the hard-line proposals. Mr. Dray said after the conference that it was a warning to the Government of the backlash by the union movement against the cuts.

The Government's directive is based on the principle that taxpayers must not be exposed to risk through State trading in commodities. It has led to examination by the Crown Agents of two alternative approaches.

The one in an advanced stage of consideration, is that Millbank should sign the contract with Iran, but that the supplying companies should conclude an oil barter deal direct with the National Iranian Oil Company.

Such an approach would require the cooperation of Shell and British Petroleum in marketing the oil. It would give rise to very awkward problems over price in the present two-tier method.

An alternative approach has been canvassed under which a scene discussion under which an oil broker, probably an American concern, would be invited to market the oil produced by the barter deal, the realised proceeds being counted against the contract price.

This formula is, however, thoroughly disliked by the Iranians, because it would reckon their payments in oil at a world price rather than their own higher price. Iran has turned down this method.

Mr. Ron Ellis, the Ministry of Defence chief arms salesman, and Mr. Michael Cotton, chief executive of Millbank, are expected to visit Iran again by February.

If an acceptable formula is evolved, it could also ultimately be applied to another major contract, the £600m. military-industrial complex which Millbank may build at Isfahan in Iran, with substantial supplies from Britain.

The amount of oil in the offer as the barter element in these various contracts is likely to be substantially less than the total size of the orders.

This is because the contracts include much local work, both manufacturing and construction, which would be paid for in cash, in Iran.

Freightliners, the road and rail haulage carrying service owned by British Rail and the National Freight Corporation, made a record profit last year.

Trading profits for the year are expected to be £1.3m, on a turnover of £56m, against a previous best of £1.1m, in 1975 (which in real terms represented a better performance than 1970) and a loss of £1m in 1975.

The number of containers forwarded, at 731,900, was also a record, representing an increase of 24,000 in 1975. Although there is considerable satisfaction at National Freight, the majority shareholder, in the turnaround at Freightliners, the company has to overcome a number of basic problems before its future financial position can be regarded as secure.

At the root of the problems is the question of the financial reconstruction of the National Freight Corporation, which has

Britain to formulate oil barter policy

BY LORNE SARLING

GOVERNMENT POLICY on the major oil barter deals for Iranian contracts is expected to be formulated in the near future, following the return from Iran yesterday of Mr. Edmund Dell, the Secretary of State for Trade.

He said on his arrival that although he saw no disadvantage in the system for British exports, the Government would have to discuss whether it intended barter to be extended to non-defence contracts.

Mr. Dell also stressed that the Iranian position was not yet clearly defined and that "a great deal of business will continue to be done on traditional lines, for cash or credit."

The Trade Secretary made it clear in his meeting with the Shah that barter would have to be carried out as a fully commercial undertaking, with exporters ultimately receiving what they expected to receive for their products.

Margaret Bell writes: The Government is insisting that any oil barter deals to pay for exports of British defence equipment to Iran—notably the proposed £180m. of sales by Vickers and Yarwood—should not involve any risk of a charge on the Exchange.

Vickers' projected sale of 600m. of armoured recovery vehicles and Yarwood's four support vessels worth

£50m.—both held up by the Iranian demand to pay in oil—would be sold through a subsidiary of the State-owned Crown Agents, Millbank Technical Services.

Thus, if oil were to be accepted in payment at a time when Iranian crude stood at a premium price in the emerging two-tier world oil price structure, there would be a danger that the oil could not be resold without loss.

Unless arrangements were made to prevent this, some loss could fall on the Millbank concern, which would contravene the Government's ruling.

Investment needs The company is budgeting for a profit of £1.5m next year, with a 2 per cent increase in the volume of business. The figures are based on average price increases of 11 per cent.

Such improvements, although considerable and a tribute to a much more effective marketing operation since the appointment of Mr. Cyril Alexander as managing director 18 months ago, are wholly inadequate in the face of Freightliners' investment needs.

The average age of the company's fleet is increasing and above average spending is felt desirable to meet areas.

Of particular significance is the state of the company's huge container-handling gantry cranes, which will require investment of several million pounds in the mid-1980s.

Filed with this situation, further trimming of the company's assets could be in prospect and it is possible that some of the 24 terminals could be closed.

It is apparently not anticipated, however, that there will be any overall reduction in staff numbers this year.

There are also plans for expansion in more profitable areas in 1977, including the opening of two small terminals at Poole and Ipswich.

MAN OF THE WEEK

Focus on the party's strife

BY RUPERT CORNWELL

THE LABOUR PARTY'S fondness for airing its internal disputes in public is one of its most endearing features, but even concessions are hard pressed to remember anything like the exhibition it has put on over the appointment of Andy Bevan. Short of a compromise that would take over Dr. Henry Kissinger, the scene is set for another standing match between Left and Right. In the meantime, the party are continuing their boycott of Mr. Bevan, who remains at home suspended on full pay until the problem is sorted out.

The heavy artillery echoed round Westminster: the prominent left-winger Mr. Eric Hoffer calls him a "positive moderate" only to be countered by the confident Group of Labour MPs who also call themselves moderates with a statement calling him an anti-democratic agent of views "totally alien" to the principles of the party. But from Bevan himself, almost nothing.



ANDY BEVAN "We stand on ideas of Marx"

The contrast between public utterance and private reserve is characteristic of his most striking features. As everybody knows, he is a Trotskyist. We proudly describe ourselves as Marxists, that we stand on the ideas of Marx, Lenin and Trotsky... as a method of putting forward a programme that can show the way to the Labour Party," he said on BBC television last October.

But the fire-breathing dragon is personally quiet-spoken and by universal consent charming—with even something of the charisma of his messiah, but no relation, the late Nye Bevan. Like Nye he is a Welshman, a fact at once betrayed by his lilting voice, although that has been little heard from the small duff-coated figure who was dodging through reporters and cameramen besieging Transport House last week.

His Welsh Labour background is impeccable. Half the family are miners—coal and steel—Mr. Bevan and he himself founded the students' union at Dinefwr School in Swansea, before taking a job in industry. Next came Bristol University where he read economic and social history, and in 1949 that he subsequently proved invaluable membership of the Bristol South-East Labour Party. The local MP with whom he shared speaking platforms so frequently is Anthony Wedgwood Benn and the Energy Secretary's unswerving support has played a large part in securing Bevan's position, as well as contributing to the controversy.

The pawn

But much of what has been said about him is unfair. His infiltration of the Labour Party must be the most visible in history, since from June 1973 when he became chairman of the Young Socialists he has been a high fish in a sea that has been part of the extreme Left. Nor is his view that the Cabinet has lost touch with the grass roots of the party very different from that of the traditional Labour Left. While in Parliament.

The real trouble is that 24-year-old Bevan has become a pawn in a much wider struggle. All the strands of moderate discontent meet in Bevan, his links with the shadowy Milton North-East Management Committee which has disowned the sitting MP Mr. Rex Premies, and where Bevan himself could well be the next official Labour candidate. The fear of a didactic, epigrammatic, and creeping Leftwing take-over of the constituency. Transport House, and even of that last, moderate stronghold, the Parliamentary Office, a post of great potential influence on the next generation of Labour voters, seems to Bevan's opponents to be in jeopardy.

The outcome of this trial of strength, and its effect on the Labour "establishment" is anyone's guess. But as long as the most powerful of all the old-fashioned Labour groups are the anti-socialist, where the structure of the Prime Minister had failed to keep Bevan out of Transport House.

Freightliners profit for last year expected to be £1.3m.

BY IAN HARGREAVES, INDUSTRIAL STAFF

FREIGHTLINERS, the road and rail haulage carrying service owned by British Rail and the National Freight Corporation, made a record profit last year.

Trading profits for the year are expected to be £1.3m, on a turnover of £56m, against a previous best of £1.1m, in 1975 (which in real terms represented a better performance than 1970) and a loss of £1m in 1975.

The number of containers forwarded, at 731,900, was also a record, representing an increase of 24,000 in 1975. Although there is considerable satisfaction at National Freight, the majority shareholder, in the turnaround at Freightliners, the company has to overcome a number of basic problems before its future financial position can be regarded as secure.

At the root of the problems is the question of the financial reconstruction of the National Freight Corporation, which has

Bank to make £1.25bn. issue

Continued from Page 1

successful with the December banking figures expected to show an increase that money supply was held well under control with the help of the gilt-edged sales and a slower growth in bank lending.

The Government is trying to prevent too rapid a fall in rates because of its possible effect on sterling and because of its view that this is the right way to ensure further large sales of gilt-edged stocks to fund next year's borrowing requirements.

The pound has been holding up well with some signs that the Bank of England has been making the opportunity to re-taking the UK official reserves by buying (foreign currency).

Safety net discussions

AN EXPERT working party of central bankers will draw up the final terms for Britain's \$3bn safety net for the sterling balances during the next three weeks.

Their report will set before the central banks' next routine meeting in Basle on February 7. The Treasury said last night that further information on the support facility would not be available until after this meeting.

The Financial Times Government securities Index rose 0.06 and 1.57 up on the week at 63.16.

Weather

UK TODAY WINTRY SHOWERS, steel or snow likely with drifting in places, mainly on hills. Frost is likely in inland areas.

Outlook: Bright intervals and some showers. Overnight fog. Cold with night frost. Lighting up. London 16.51, Manchester 16.50, Glasgow 16.46, Belfast 16.59.

LONG-RANGE FORECAST It will be milder at first with cold spells later. Mean temperatures will be above average in Scotland and Northern Ireland, but below average in England and Wales, with more frost than usual. Rain totals will be near average.

Table with columns: City, Day, High, Low, City, Day, High, Low. Lists various cities and their weather forecasts.

Table with columns: City, Day, High, Low, City, Day, High, Low. Lists various cities and their weather forecasts.

Some money-market investors are getting a better return...

Investing for income? Go for Property Growth's Money Fund, the one that's outperforming all other similar funds.

You can share in this healthy performance one of two ways - both with life assurance. Invest a lump sum of £1,000 or more, with an annual income option - or save £20 a month or more with tax relief on your payments.

...through Property Growth Money Bonds. Ask your insurance broker for full details or contact Property Growth Assurance Company Limited, Leam House, High Street, Clowden CR2 1LU. Telephone 01-680 0090.

Registered at the Post Office. Printed by St. James's Press Ltd. at the Financial Times Ltd., Stratford House, Cannon Street, London EC4A 3DF. © The Financial Times Ltd.